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ABSTRACT

The views of thirty corporate executives were examined and analyzed on the role and usefulness of various types of formal, informal, and continuing educational experiences as preparation for successful careers in business management. Personal interviews were conducted with each executive, with similarities of attitudes and recommendations statistically summarized in the data analysis. The lack of meaningful correlative indices among the variables which related educational background and experience to senior executive achievement lent support to the premise that there is not necessarily a predictable cause/effect relationship. As a group, the respondents favored an undergraduate liberal arts orientation for executive career preparation. Respondents from scientific or technically oriented companies tended to advise those interested in a specific technology to pursue that course, and then add a Master's degree in Business Administration, and broaden their education later. However, educational background was clearly not held to be an important factor in the evaluation of candidates for top management. What appeared to count most at that level was the person's over-all ability, work record, future promise, and the extent to which they are sensitive toward, and can work with and through other people. (TA)

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GOLDEN GATE UNIVERSITY

EDUCATION AND THE UNCOMMON WHEEL

An Analysis of the Views of Thirty
American Corporate Leaders on the
Role of Educational Experiences in
The Development of Successful
Managerial Careers

A DISSERTATION SUBMITTED TO
THE GRADUATE SCHOOL OF MANAGEMENT
IN CANDIDACY FOR THE DEGREE OF
DOCTOR OF BUSINESS ADMINISTRATION

U.S. DEPARTMENT OF HEALTH,
EDUCATION & WELFARE
NATIONAL INSTITUTE OF
EDUCATION

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ARTHUR J. KATZ

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MARCH, 1976

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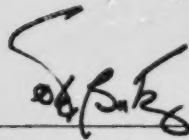
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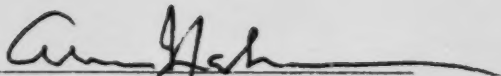
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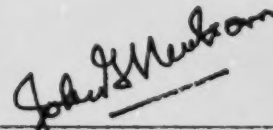
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"A great society is a society in
which its men of business think
greatly of their functions."

Alfred North Whitehead

FOREWORD

I hope that the study here presented will prove useful to business curriculum planners, career counselors, young people thinking of entering the management field and, even, men and women who have already established themselves in management careers. I believe the study's findings should also be of interest to anyone wishing to learn more about the nature of business leadership and what people engaged in this role tend to think and do.

Yet whatever usefulness the reader may find in these pages cannot possibly match the benefits that I myself have derived in preparing the study. Not only have I had the experience of an intensive, systematic and very meaningful intellectual and academic exercise, but most enjoyable of all, in the development of my data for the study, I have had the privilege of talking privately, frankly, and at considerable length with a number of the most distinguished and influential leaders of American business. I am deeply grateful to these busy executives for taking my inquiry seriously, for giving me so generously of their time, and for so forthrightly responding to my questions. I feel personally enriched by the experience. Since paraphrasing is always inadequate, and particularly so when one is dealing with people of the insight and articulateness of those whom I interviewed for this study, I have reproduced extensive excerpts from the interviews verbatim, thus

permitting the respondents to speak for themselves. In a very real sense, therefore, these business leaders are my co-authors, although it is, of course, only I who am responsible for the analysis to which their views are here subjected.

I would also like to express my thanks to several other individuals who in important ways assisted me with the study. Ernest Arbuckle, Chairman of the Board of the Wells Fargo Bank and former Dean of Stanford's Graduate School of Business, helped formulate and sharpen the focus of the project. Professor James E. Howell, also of Stanford University and co-author of, among other significant works, the highly regarded Ford Foundation report on Higher Education for Business, offered valuable suggestions in regard to the conceptual structuring of the study. Richard Holton, former Dean of the University of California's Graduate Business School at Berkeley, and Professor David Revzan, also of the Berkeley Business School, contributed helpful advice for the study's research design. John Van Swearingen, a former student of mine, assisted me with the quantitative aspects of the analysis. And Professor V. Vichit Vadakan of Golden Gate University was kind enough to review with me both the study's research design and its statistical components.

My gratitude also goes to the members of my doctoral dissertation committee: Mr. John G. Neukom, former Director of McKinsey and Company; Dean Allen J. Zahn of the Graduate School of Management of Golden Gate University; and Dr. Otto Butz, Golden Gate University's president. They have painstakingly gone over the manuscript with me at different stages of its development and their criticisms and suggestions have resulted in a much sounder and more scholarly end product than would otherwise have been possible.

I am particularly indebted to Dr. Otto Butz, who served as my principal dissertation adviser. An outstanding scholar and teacher in his own right, Dr. Butz has played a key part in every phase of the study. It was as a student in his doctoral seminar, "Dynamics of Contemporary American Civilization," that I first became seriously interested in the subject of the inquiry. And it was his enthusiasm, encouragement, and high standards that energized and guided me as my work progressed. For more than a semester we held long weekly meetings in his office, going over both the conceptual framework and the data for the project. And despite his very busy schedule, he put aside his own writings and devoted many hours to a most conscientious editing and reworking of my manuscript. His caring, help, and support have been an inspiration to me personally and an invaluable contribution to the completion of the study.

Last, but not least, I want to express my love and gratitude to my wife, Marlene. Also a student in the Golden Gate University doctoral program, in addition to the position she holds as a teacher, her role as a mother, and her months of help to me as my stenographer and typist, she has participated in this undertaking as though it were her own. Marlene is truly an outstanding woman of many interests with whom it is my privilege to be able to share the gusto of living.

Even with all the assistance and guidance I have received from others, I am bound to have made errors of both commission and omission. For these, I alone bear responsibility.

Arthur J. Katz

Menlo Park, California
March, 1976

P A R T O N E

PURPOSE AND METHOD OF THE STUDY

CHAPTER 1

INTRODUCTION

The subject of these pages is the role of education in the development of successful business managers. The study inquires into the comparative usefulness of various types of education for management. And it probes the significance of these educational experiences in relation to other factors that appear to contribute to successful managerial careers.

My original intention was to approach the subject through an analysis of the writings of business educators. What, I planned to ask, do our business professors think is most relevant and beneficial by way of educational preparation for management? Being myself a teacher of business administration, such an approach seemed the most natural in terms of my own career interests. It also seemed the most meaningful from an educational point of view. For is it not the country's business educators who plan and have charge of our various business education curricula? And are they, therefore, not also the proper authorities for setting its objectives and assessing its effectiveness?

I have, of course, every confidence in the purposefulness of American business education. And I know first-hand of the dedication of our business professors to serving the educational needs of the management professions. Yet the more I reflected on these basic questions,

the more an uncertainty arose in my mind that I suspect has troubled other business educators as well. Most of us in academia, even in our business schools, have had little actual management experience ourselves.¹ How, then, can we be sure that our views as to the most useful educational experiences for successful careers in management are, in fact, sufficient? And to the extent they may not be, would not a compendium of these views suffer from the same limitation?

Clearly, it therefore seemed to me, the efforts of business educators to develop effective educational preparation for managers has need for input from another, and equally important quarter. We must look to the experiences and insights of professional managers, and particularly those whose careers in management have been the most successful. What can these practitioners tell us about the role of education in the development of managerial skills? What types, forms, and sequences of educational experiences have they found most valuable in their own development? What educational preparation do they look for in their colleagues? What kinds of educational choices would they recommend to young people embarking on a managerial career? And, more generally, what do they have to say about the relation of different types of educational experiences to what they believe are other key requirements of success as a manager in today's world?

Not that the views of business executives should be considered more definitive than those of business educators. While the latter may

¹Before taking up a second career in teaching, I was fortunate enough to have had some ten years of administrative and management experience in industry.

be too far removed from the action to see its full complexities, the former may be too close to it to realize all of its possible long-range implications. And while the business educator may incline toward too great concern with conceptualization, the successful manager may be too prone simply to generalize from his own experiences. What is obviously needed is a mutually-informing and reciprocally-corrective synthesis of both perspectives. Business educators must incorporate the experiences, intuitions and reflections of successful managers. And the latter can gain from the systematic research and analysis of the academic student of business. Only to the extent we achieve such a synthesis as the basis for our various kinds of management preparation and education, can we be sure that our development of managers is as effective as we can possibly make it.

What I believe has handicapped us in achieving this objective is a serious gap in our knowledge. We are not without explicit and implicit educational theories and a great deal of popular speculation about the significance of education as a factor in the development of successful managers. What we are lacking, however, is systematic, empirical research on the views of management practitioners. For though we often admire or criticize these people for their managerial performance, we have paid little attention to their thinking about the work they are engaged in and the educational preparation and other characteristics it requires.

It is with the aim of helping to remedy this deficiency in our knowledge that I have undertaken the present study. Most generally, my research is designed to assess the part played by education in the context of all the ingredients that top-level American executives

believe are essential for effective responses to the challenges of contemporary management. My hope is that besides the light it sheds on the role of education in the development of successful managers, the study will also add scope and depth to our understanding of the function of management itself.

There seems little need to underline the significance of an inquiry into the educational and other elements of the managerial role. Our technologically-advanced society, with its capital-intensive, large-scale units require an ever-growing number of highly competent managers.² Furthermore, the continuing rise in material and social expectations, the changing attitudes and aspirations of the work force and the new constraints resulting from environmental considerations and government policy, place ever more exacting demands on those entrusted with the managerial role. It is, indeed, hardly an exaggeration to say that the fate of our society--and of other advanced industrial nations as well--critically depends on how effectively this role is discharged. Clearly, then, our understanding of what management today involves and our ability to develop future managers accordingly, will make a decisive difference in the shape and quality of our future.

Given the complexities of what we are dealing with, the research, data, and conclusions here presented can at best be a beginning. I urgently hope that they will stimulate extensive further analysis--of the

²See the sociologist Daniel Bell's analysis of this development and its consequences in his The Coming of Post-Industrial Society, New York, Basic Books, 1973.

people who today hold different levels of managerial positions, of the dimensions of their responsibilities, and of the elements of their preparation, including various types of formal and informal education. The subject requires and deserves it.

CHAPTER 2

METHODOLOGY

This is a study of the views of corporate executives on the role and usefulness of various types of formal, informal, and continuing educational experiences as preparation for successful careers in business management. The views presented and analyzed are those of senior executives of large corporate organizations.

The basic methodology of the study was that of personal interviews. The interviews focused on three general questions. How do high-level executives retrospectively evaluate their own educational experiences, particularly during their undergraduate years? What undergraduate, graduate, professional or continuing education experiences do these executives believe have been most valuable to them throughout their careers as managers? And, in light of their own professional and personal experiences as managers, what recommendations regarding educational experiences would these executives make to today's young people who plan to enter managerial careers and aspire to top executive positions?

Use of Personal Interviews

It was decided early in the planning for the study to utilize personal interviews, rather than mailed questionnaires. The methodology of personal interviews seemed preferable on several grounds. For one

thing, though a mailed questionnaire might be directed to the president of a company, there would be no way of knowing whether it was actually completed by the person addressed or a secretary or administrative assistant. Secondly, the study not only aimed to probe the respondents' thinking and attitudes but also, necessarily, utilized a number of abstract concepts. Terms, for example, such as "liberal arts," "educational experiences," and "humanities" have a number of shades of meaning to which it would be difficult to do justice in a mailed questionnaire. In a personal interview, by contrast, ambiguities of definition can be clarified more easily. And finally, the face-to-face interview has the advantage of permitting open-ended questions. These offer respondents opportunity to introduce more complex perspectives and fuller data than is likely to be developed through the typically brief responses elicited by a written questionnaire.

In retrospect, the trade-off that was made in favor of greater depth of questions, rather than numbers, turned out to have been well worthwhile. Several of the people interviewed indicated that they felt more willing to respond to questions put to them in a person-to-person discussion, and to go into their answers more extensively, than would have been the case had they been asked to respond to a formal questionnaire. As one interviewee volunteered:

Let me make one comment to you. I think that your approach to having interviews is far better than sending a questionnaire. I must get at least two each month. As much as I would really like to help, and some of the subjects that they want you to comment on are extremely vital to American business and our free enterprise system, or our country in general, it is very, very difficult to get the time to sit down and put your thoughts down on paper. I

think this way where we can chat for a while is far better.³

Selection of Respondents

Ideally, a systematic study of the ideas of business leaders on the role and usefulness of different types of educational preparation for a successful managerial career should be based on a representative national sample of all individuals in top executive positions. Within the available resources, however, the collection of such data was not feasible. Instead, a judgment sample of business leaders was selected--people in senior executive positions in a wide range of variously sized industries headquartered in the San Francisco Bay Area.

The sample selection began with a list of companies taken from the Los Angeles Times Rosters of California's 100 top industrial companies, top financial institutions, top insurance firms, the 10 top utility corporations, and 10 top transportation firms.⁴

More than two-thirds of the companies selected are also included on one of the 1975 Fortune 500 or Fifty Largest lists.⁵ The Fortune ranking by sales, assets, and net income is shown on Table 1.

³Respondent 13.

⁴California's Leading Companies, 1974. Reprinted from the Los Angeles Times, Sunday, May 12, 1974.

⁵The 500 Largest Industrial Companies. Fortune, May, 1975, p. 208. The Second 500 Largest Industrial Corporations. Fortune, June, 1975, p. 120. The Fortune Directory of the Largest Non-Industrial Corporations. Fortune, July, 1975, p. 114.

TABLE 1. COMPANIES INCLUDED IN THIS STUDY AND
THEIR RANKINGS ACCORDING TO FORTUNE IN 1975

Company	Fortune's 1000 Largest Industrial Companies Ranked by:			Fortune's Top 50 Directories
	Sales	Assets	Net Income	
American President Lines	---	---	---	3 ^b
Ampex	513 ^d	16 ^a	271 ^a	---
Arcata National	566 ^a	38 ^a	123 ^a	---
Bank of America	---	---	---	1 ^c
California Cannery and Growers	---	---	---	---
California Pacific Utilities	---	---	---	---
Crocker National Bank	---	---	---	15 ^c
Crown Zellerbach	109	101	71	---
Del Monte	192	229	222	---
Di Giorgio	333	428	476	---
Envirotech	562 ^a	54 ^a	141 ^a	---
Fairchild Camera and Instrument	421	380	283	---
Fibreboard	489	416	442	---
Firemen's Fund of America Insurance (Subsidiary of Ameri- can Express)	---	---	---	3 ^{c, h}
Foremost-McKesson	---	---	---	---
Hewlett-Packard	225	223	125	---
Hyatt	---	---	---	---
Industrial Indemnity (Division of Crum and Forster)	---	---	---	29 ^d
Kaiser Industries	186	123	236	---
Levi Strauss	222	278	238	---
Pacific Gas and Electric	---	---	---	5 ^e
Pacific Telephone (Subsidiary of AT&T)	---	---	---	1 ^{e, g}
Potlatch	345	296	203	---
Saga	---	---	---	---
Southern Pacific	---	---	---	4 ^b
Spreckels Sugar (Division of Amstar) ^f	191	275	252	---
Standard Oil of California	6	8	7	---
Wells Fargo	---	---	---	12 ^c
West Coast Life Insur- ance (Division of Nationwide Life)	---	---	---	45 ^d

TABLE 1. COMPANIES INCLUDED IN THIS STUDY AND
THEIR RANKINGS ACCORDING TO FORTUNE IN 1975
(continued)

^aFrom: The Second 500 Largest Industrial Corporations, Fortune.

^bThe Fifty Largest Transportation Companies, Fortune.

^cThe Fifty Largest Commercial Banking Companies, Fortune.

^dThe Fifty Largest Diversified Financial Companies, Fortune. Data shown for parent companies.

^eThe Fifty Largest Utilities, Fortune.

^fData shown for Amstar.

^gData shown for American Telephone and Telegraph.

^hData shown for American Express.

I believe that the geographic concentration of the respondents in the San Francisco Bay Area does not reduce the significance of the findings. It should be noted that all the selected companies are engaged in interstate business, and many are multinational as well. All of the executives interviewed, moreover, have also had educational and/or management experience in other parts of the country.

The respondents in this study were selected on the basis of their being key executives of major corporations. For well-known historical reasons, top executives of American corporations have tended to be caucasian males. Reflecting this fact, the sample interviewed is drawn from this group. That is to say, it does not include executives from minority groups or females. I believe that this concentration of caucasian males in this research does not diminish the significance of my findings. However, as more individuals from non-caucasian backgrounds and women fill top executive positions, they, too, should be similarly studied with a view to discern if the results would be the same.

Sample Size

Early in the planning of this study it was established that the size of the judgment sample would be at least 25. Long lead-time was needed to arrange for interviews with these busy executives. Thirty-two companies were contacted. Only three of them did not participate. That left the top management of 29 companies willing to participate in the study. In one of the participating companies, both the president and the vice-chairman of the board of directors agreed to be interviewed. In the end, 30 respondents from 29 different companies contributed their time and interest to this research.

Over 90 percent of the respondents were either the president or chairman of their corporation. The remainder held the positions of senior vice president or vice chairman. See Table 2.

An alphabetical listing of all the respondents is shown in Table 3. It should be noted that the executives interviewed did not place any restriction on the use of the data for the purpose of this research project.

One striking aspect of the study turned out to be the candor with which the interviewees responded. Verbatim quotations not only on educational but also social, economic, and political issues enhance the analysis and interpretations of the data collected. A system of randomly selected code numbers is substituted for the footnote references of the respondents' direct quotations. The key to the code is secured in a safety deposit box held by the President of Golden Gate University and, besides the author, is known only to the members of his dissertation committee, including the President of Golden Gate University, who has served as principal adviser for the dissertation. All three members of the dissertation committee read the transcripts of the interviews prior to the substitution of code numbers for names.

TABLE 2. NAMES OF COMPANIES IN ALPHABETICAL ORDER
INCLUDED IN THIS STUDY AND LISTING OF RESPONDENTS'
JOB TITLES

Name of Company	President	Chairman	Other
American President Lines	x		
Ampex	x		
Arcata National	x		
Bank of America	x		
California Cannery and Growers	x		
California Pacific Utilities	x		
Crocker National Bank	x		
Crown Zellerbach	x		
Del Monte	x		
Di Giorgio	x		
Envirotech	x		
Fairchild Camera and Instrument	x		
Fibreboard	x		
Firemen's Fund of America Insurance	x		
Foremost-McKesson	x		
Hewlett-Packard	x		
Hyatt	x		
Industrial Indemnity		x	
Kaiser Industries	x		
Levi Strauss	x		
Pacific Gas and Electric			x ^a
Pacific Telephone	x		
Potlatch	x		
Saga	x		
Southern Pacific	x		
Spreckels Sugar	x		
Standard Oil of California	x		x ^b
Wells Fargo		x	
West Coast Life Insurance	x		
TOTAL	<u>26</u>	<u>2</u>	<u>2</u>

^aSenior Vice President, Assistant to the Chairman of the Board

^bVice Chairman of the Board

TABLE 3

RESPONDENTS INTERVIEWED
BY NAME IN ALPHABETICAL ORDER, AGE,
SCHOOLS FROM WHICH DEGREES WERE EARNED, JOB TITLE, AND COMPANY

<u>Respondent's Name, Age</u>	<u>Degrees Earned at</u>	<u>Title</u>	<u>Company</u>
Ernest C. Arbuckle, 63	Stanford	Chairman	Wells Fargo
Benjamin F. Biaggini, 59	St. Mary's U. (Texas)	President	Southern Pacific
Alden Winship Clausen, 53	Carthage College, Univ. of Minnesota	President	Bank of America
Charles Raymond Dahl, 54	Cooper Union, Stanford	President	Crown Zellerbach
Fred Drexler, 60	U. of Redlands, Golden Gate Univ.	Chairman	Industrial Indemnity
Myron DuBain, 53	U. C., Berkeley	President	Firemen's Fund
Hugo M. Friend, Jr., 50	Grinnell, Northwestern Univ.	President	Hyatt
Robert L. Gibson, 57	U. C. Berkeley, MIT	President	California Cannery and Growers
J. E. Gosline, 67	U. C. Berkeley	Vice- Chairman	Standard Oil of California
John R. Grey, 53	Stanford	President	Standard Oil of California
Peter Haas, 57	U. C. Berkeley, Harvard	President	Levi Strauss
Arthur H. Hausman, 52	Univ. of Texas, Harvard	President	Ampex
William R. Hewlett, 62	Stanford, MIT	President	Hewlett-Packard

TABLE 3 Continued

<u>Respondent's Name, Age</u>	<u>Degrees Earned at</u>	<u>Title</u>	<u>Company</u>
C. Lester Hogan, 56	Montana State, Lehigh	President	Fairchild Camera and Instrument
Jerome Hull, 63	Occidental	Chairman	Pacific Telephone
Richard G. Landis, 55	Laverne College, Claremont Grad School	President	Del Monte
J. Frank Leach, 54	Wayne State Univ. Princeton,	President	Arcata National
Richard B. Madden, 46	U. of Michigan, NYU	President	Potlatch
Guy D. Manuel, 58	U. C. Berkeley	President	Spreckels
Robert McCracken, 48	Stanford	President	Di Giorgio
Robert McLaughlin, 44	Purdue	President	Fibreboard
John E. Mellen, 58	Ohio Wesleyan	President	West Coast Life Insurance
Fred Mielke, 54	U. C. Berkeley, Stanford	Sr. Vice	
William W. Morison, 62	U. C. Berkeley	President	Pacific Gas and Electric
William R. Roesch, 50	Univ. of Pittsburgh	President	Foremost-McKesson
William F. Scandling, 53	Hobart College	President	Kaiser Industries
Berne Schepman, 49	Northwestern Univ.	President	Saga
Norman Scott, 53	U. S. Naval Academy	President	Envirotech
Thomas R. Wilcox, 59	Princeton, NYU	President	American President Lines
Ross Workman, 37	Claremont, Stanford	President	Crocker National Bank
		President	California Public Utilities

The Interview

All 30 interviews were conducted during normal business hours at each respondent's office. It was so arranged partly as a matter of convenience for the busy interviewees and partly to use a place familiar and comfortable for them.

The length of discussion time varied. The interviews usually lasted for about one hour. Verbatim transcripts were made and subsequently used to analyze the responses.

Prior to conducting the interview, each respondent was made aware of the general purpose of the study. This was done in a letter requesting the interview. The explanation was reviewed again just prior to conducting the actual interview. As it turned out, this seemed helpful in establishing good rapport and open communication between the respondents and the interviewer.

An interview guide was employed in order to structure the sessions so as to ensure that the same subject areas would be covered with each respondent. The following questions were asked of each executive:

What brought you to (name of the company)?

The major purpose of the first question was to open up the discussion. It was also intended to develop a line of conversation that would disclose whether the respondent was recruited from outside the organization as a top executive, progressed through the corporate hierarchy, or had arrived at his position by some other route.

Was there anything in your formal schooling or informal education that particularly helped you to prepare for a top management position?

This broad question was intended to elicit an assessment by the respondents of the strengths and relevance of their academic preparation. It was also concerned with determining whether the person's educational background was general or technical. Other questions probed for any additional factors that the respondent considered important. Was it the substance or content of the particular educational experience that he considered of greatest value? Or was it its form, the analytical skills it helped to develop, or some other aspect of the subject matter or methodologies studied?

In reflecting on your educational background, do you feel that you would like to have included any other educational experiences that would have helped you as an executive?

The question asked each respondent to identify and discuss any weaknesses in his educational experiences as he viewed them in retrospect, particularly as regards preparing him for his responsibilities as a high level executive. It was anticipated that responses could range from "no weakness" to indications of dissatisfaction with the forms of learning or gaps in specific subject matter.

Have you participated in any of the advanced management programs or special seminars such as those offered by the American Management Association, Conference Board or others?

This question began the segment of the interview that dealt with the interviewees' educational experiences since college. The discussions generated from this question included the respondents' description of such post-college educational experiences as formal courses, seminars or self-study programs. The respondents were asked to evaluate the kinds of experiences they believed most useful or desirable.

Does your company provide organization development or management development programs?

This question was designed to determine what additional educational experiences were available within the organization, and on what basis. The discussion probed the executives' attitudes toward company-sponsored in-house education and on the subject of company financial support for other types of education for its employees. Also discussed was the interviewees' views about the relationship between continuing education and executive achievement.

What advice would you give your best friend's son or daughter as to how to prepare themselves to become an effective executive?

It was expected that the discussion of this question would lead to specific course-work, college and program recommendations. As it turned out, the question evinced responses which were broader ranging than the previous queries. Subsequent discussion in this area included suggested counseling techniques and comments on actual situations with the respondents' own children as well as those of their friends.

Would you recommend that there should be a break in the formal education process or should young people go straight through?

This question was introduced to develop discussion of the mix and sequence of a wide range of educational and cultural, as well as work experience. These included such activities as travel, part-time work during high school, full-time working between high school and college, specialized work experience between college and graduate work, as well as other possibilities. This portion of the interview was concerned with finding what, if any, consensus there might be on the subject, based on the interviewees' own career experiences.

Let's assume you decided to take early retirement. The board of directors has asked you to be chairman of the selection committee for your own replacement. What criteria would you consider?

This area of discussion had several objectives. What factors are important in the selection of a high level executive? What relevance, if any, does educational background or achievement have in the selection of management? Is the relevance of education different during various phases of executive career development? To what extent are plans of management succession formalized? And, if so, what criteria are considered?

It was assumed that educational background is only one of several factors considered by top executives in evaluating candidates for high level management positions. Qualitatively, how important are educational experiences as related to other factors also given consideration?

Regarding the kind of discussion we have been having, are there any questions that I should have asked that I didn't ask?

This question had two objectives. The executives interviewed might introduce a new, important area not previously considered in the research design. The question also implies that the interview is closing and offers the respondent an opportunity to summarize in his view the most salient aspects of the relationship between education and executive career achievement or to make any other closing remarks.

Analysis of the Data

The analysis of the results of this study takes two directions. Similarities of attitudes and recommendations are statistically summarized. And the study also reports individual responses where they serve to clarify the intensity of attitudes that cannot otherwise be adequately measured. There is no conflict in the findings between the statistics and the qualitative data.

As part of the statistical analysis, the data collected in the 30 interviews were subjected to multiple correlations and a factor analysis.⁶ Under ideal conditions the results of a factor analysis would show that each interview question and response is related to its own specific area of information. The factor analysis separated the questions into nine different factors. There was not, however, any clear pattern isolating factors by questions.

The lack of meaningful correlative indices among the variables which relate educational background and experiences to senior executive achievement lends support to the premise that there is not necessarily a predictable cause/effect relationship. This in itself is an important finding.

The statistics presented include:

- (1) The frequencies of responses to each of the specific question areas included within the standard interview guide.

⁶Stanford University's Stanford Computation Center Quick SPSS, version 03.0 based on 20 variables and 30 cases. Subprogram FACTOR, PA2 with VARIMAX orthogonal rotation.

- (2) Cross-tabulations⁷ of the responses in order to test for significant relationships. The variables tested were taken from a summary of responses to the questions included in the interview guide which are discussed in the previous section of this report.

⁷Also known as "contingency tables."

P A R T T W O

ANALYSIS OF THE DATA AND FINDINGS

SECTION I

COLLEGE

CHAPTER 3

PATHS TO TOP MANAGEMENT

The opening interview question asks what brought the executives to the top management of their companies. The responses were sorted into four different paths, as shown in Table 4.

TABLE 4. PATHS, AS REPORTED BY EXECUTIVES,
TO THE TOP MANAGEMENT OF THEIR COMPANIES

<u>Path to Top Management</u>	<u>Absolute Frequency</u>	<u>Relative Frequency (Percent)</u>
Outside recruitment	11	37
Promoted from within	14	46
Family	3	10
Founder of the company	<u>2</u>	<u>7</u>
TOTAL	<u>30</u>	<u>100</u>

More than 80 percent of the executives interviewed were professional managers in that they were either recruited from outside the firm or developed within the firm for the responsibility of general management. Those who became top management through family ownership or were themselves the corporate founders also had participated in graduate schools of business, management programs or graduate technical programs. All respondents interviewed had at least one college degree.

The corporate executives who were recruited from outside the company offered several explanations of their reasons for making a change.

Often, they expressed a need for more challenge; there was, however, no general consensus. Some typical responses were as follows:

For the second time in my life, I was in a company in an unhappy situation. There were so many opportunities that the company was not taking advantage of. We had a \$300 million operation that could really grow. Everything was going for us. We had a technical base for research and a good market position. We've got to move aggressively, was my thinking. So, I told George that either you run it or let me do something else with the company. I was not being true to myself or the company. I enjoy competition.

(Then, an offer came along.) We, my wife and I, considered if it was right for me and right for us. She said that she was not ready to hang up the gloves after getting the children grown.

It was time to get repotted.⁸

* * * * *

I had been with _____ for 28 years, altogether. I left the service and went to work for them. Became the chairman and chief executive officer. . . . it was pretty obvious they weren't going to have a lot of capital with which to do things to maintain a broad enough position in the business. I had brought the company back from losing about \$30 million a year to where last year it made about \$120-\$130 million. . . . It was strictly in the _____ business. . . . You couldn't do things on a broader scale. Then, the opportunity to come here developed as more of an interest thing. . . . The other thing was that I think there is just something wrong to stay with one company. You begin to get the feeling that your skills are not really transferrable.

Question: It is interesting that (Respondent 22) said it was time to get repotted.

Yes. I feel the same way. _____ has done this, too. He has changed fields and I am not so sure that I don't want to change fields again some day. It

⁸Respondent 22.

does a lot for the young people in the organization if you are doing the job of getting them along. . . I get more of a thrill out of doing a job of developing people in the company than I do out of anything else.⁹

* * * * *

I have been in the _____ business all my life. I graduated from the University of California at Berkeley in food technology, so I had an indication very early that I was going to get into the food industry. Right out of college I went to work for _____. That was in 1940. I became president of that company in 1962 and then moved to Chicago where the headquarters were. I was president and chief executive officer of _____ (that company) from 1962 to 1967. I decided to return to California where my family had grown up and where I had been born and raised. The opportunity came in 1967 to come back and head up (the present company) which was kind of an exciting company in that it had just been formed about nine years prior to that. I jumped at the chance to come back.¹⁰

* * * * *

Another corporate president in his early 40's whose background includes an engineering degree, a law degree, and an MBA, commenting on his outside recruitment:

I came as a result of an executive recruiter calling me and asking me if I would like to consider this job. I, to this day, don't know how he happened to get my name.¹¹

* * * * *

The first degree in my career was a bachelor's in chemical engineering. I went to Montana State University before World War II, then joined the Navy. I earned a doctorate in physics from Lehigh University after that. Subsequently, I joined Bell Telephone

⁹ Respondent 7.

¹⁰ Respondent 9.

¹¹ Respondent 20.

Labs as a research scientist and developed the invention that brought international fame to me. I was then offered a professorship at Harvard. I took it, but with a cut in salary. It was good for me to have done it. . . . Then, I got the offer to go to (another company). I almost turned it down. It was only a \$3 million business at the time. I was general manager of this fledgling operation, with 432 employees, including me, when I arrived. I built it into the second largest of its type in the world in 10 years time. Then I got the offer to come to this company and have been here since. That is my career.

We are all prisoners of our own experiences. I cannot speak for others. I don't know what it is to run a low technology industry. To make light bulbs would bore me to death. I wouldn't like to do it, at all.¹²

* * * * *

Most of the executives who became presidents of their firms from within the organization had spent the major part of their professional careers with the same company.

One of the executives interviewed described how he had started with his company at the age of 15 and continued doing seasonal work during his college years. After military service during World War II, he returned to the same organization and had diverse, progressively more responsible assignments.

Another top executive who has worked for only one company had this to say:

Question: What brought you to (this company)?

Respondent: Actually, when I got out of the service in February, 1946, I had just really been out of college and then into the service and then having to decide what industry I wanted to join. I decided

¹²Respondent 12.

that the insurance industry was the kind of business I wanted to be in. I might add, it was a joint decision. My wife takes a great deal of credit for this. She maintains she influenced me. I was considering the investment area and we jointly decided that it (insurance) did offer a good opportunity and the kind of work that I would enjoy. It turned out to be just that. . . My whole career has been with it.¹³

* * * * *

The response from another man, commenting on his long tenure with the same firm, was as follows:

When I got out of school in the depths of the depression, there were not many jobs. (This company) was all there was, and I really wasn't excited about going to work for them. It was really a plum in those days and I took it with the idea of being with the company temporarily until I could find something that I wanted more.

Temporary has been 41 years in February (1976). But I found as time went on it became more of an enjoyment. There was challenge. I was still not too happy about staying with it until I came back from the Navy in 1945 and I had a wife and three little daughters to take care of. This was secure and seemed to have opportunity. By that time, I was a little wiser about things. . .

After coming back from four years in the Navy, I realized what a great place it was, what a challenge it was, what opportunities there were, that it was a clean company. I was working with people who were way above average in integrity and dedication; and I looked around at other companies that weren't even close in my judgment; and so I stayed on happily. I have never been sorry at all. I wouldn't have changed this for anything in the world.¹⁴

* * * * *

¹³Respondent 14.

¹⁴Respondent 21.

The respondents interviewed did not necessarily perceive the path to the chief executive's office as part of a conscious plan at the beginning of their business career. As one of the interviewees put it:

Life is a kaleidoscope. Everything is the result of everything else. I never really in my life had any specific plans. No goal, such as some people say that by 45 I must be here on the ladder, or by 50 I must have so much money. However, I am not putting down planning. Too much of that planning goes on and a great deal of frustration results. An unrealized life is too degrading.

I, in my life, have always regarded anything that I was doing as a challenge to do the best job I could do. If you do a damn good job, something good will happen.

. . . All through these years, I had no specific plan. Every new thing was a challenge. I was happy and productive. There was implicit faith in something bigger than the company, in the American system. If you give more than you get, there has got to be some reward for it. In my age group we had the depression psychology. If you want to eat--you have to work; no give-away, no food stamps, no cradle-to-the-grave. Relief was a scourge. You'd rather die than go on relief. Paddle your own canoe.

. . . You are a product of your environment and time in life.¹⁵

* * * * *

On the same subject, another respondent offered this reflection:

There is more in life than becoming a chief executive officer. It is much better to set your cap to do an increasingly better job of what you are doing. We should not overdo the star system.¹⁶

¹⁵Respondent 22.

¹⁶Respondent 3.

CHAPTER 4

RESPONDENTS' EDUCATIONAL BACKGROUND

The undergraduate educational background of the executives interviewed was, by chance, fairly evenly mixed between general and technical. See Table 5. Also, a chi square analysis shows no statistically significant relationship between the path to top management, as shown in Table 4, and the incidence of a general or technical background, as shown in Table 5.

TABLE 5. UNDERGRADUATE EDUCATIONAL BACKGROUND

<u>Educational Orientation</u>	<u>Absolute Frequency</u>	<u>Relative Frequency (Percent)</u>
General	14	47
Technical	13	43
Combination	<u>3</u>	<u>10</u>
TOTAL	<u>30</u>	<u>100</u>

Eighteen of the respondents had earned 19 graduate degrees among them. The advanced degree areas were primarily MBA's, law degrees, or technical degrees. See Table 6.

TABLE 6. RESPONDENTS' GRADUATE DEGREES EARNED

<u>Degree area</u>	<u>Absolute Frequency</u>	<u>Relative Frequency (Percent)</u>
Business	7	37
Law	6	32
Technical	5	26
Other	<u>1</u>	<u>5</u>
TOTAL	<u>19</u>	<u>100</u>

As with the undergraduate orientation, there is no significant correlation between the graduate degree areas and the particular path to top management listed in Table 4.

The educational experiences of the executives interviewed are certainly much more inclusive than the formal degrees earned. This includes what was learned on the job, through travel, and in management development programs, seminars, conferences, and so on.

The respondents discussed the relationship of their educational experiences to their role in top management. They emphasized that although they had different educational needs during various phases of their careers, learning is a life-long process.

No perfect education is possible. No one I know has that. Education is not just the years you spend in college. I've been educating myself all my life. I carry around a pretty empty bucket. I'm educating myself this week on business matters that relate to a broad economic spectrum. It never stops.¹⁷

* * * * *

¹⁷Respondent 15.

One corporate president observed how the development of values is also a part of the formal and informal educational system:

The education process makes an impact on us. You learn some things in a positive way. You learn some negative things. And, you can really get your teeth kicked in--you tend to remember those things. You know that the difference between a pat on the back and a kick in the ass is only about two feet. You remember when you did do it right and when you didn't do it right--or when you lost. I think that things do really make an impact.

When you get that P and L responsibility, you are responsible for the bottom line. You have got to make this thing go. Of course, it affects your orientation, your motivation. It is a value system that starts immediately in your education system.

You start building that value system from the time you are a child at six or seven years old and probably even sooner than that. . . I think that value system starts when you are very, very young.¹⁸

* * * * *

You can have experiences as a result of many things in childhood, in the military service, in formal education and in education that one gets from one's bosses and one's peers and being sensitive to issues that go on about you all the time. We should be continually learning throughout life. I look forward to learning a lot tomorrow and I have learned a lot today.¹⁹

¹⁸Respondent 13.

¹⁹Respondent 20.

CHAPTER 5

EDUCATIONAL STRENGTHS

The feature of their education that the respondents most frequently singled out for favorable comment pertained not to its substance but its forms and intellectual discipline. It was not the specific subject matter of their college majors or course work that they viewed as most significant. What appears to have mattered more was the impact of their educational experience on their ability to analyze, to think clearly, and to apply learning to new and different situations. The form of education was indicated in 14 of the 39 multiple responses made by 28 respondents.

The second most frequently mentioned educational strength related to the technical education. As would be expected, cross tabulations between the type of education (as shown in Table 5) and the various undergraduate educational strengths (as shown in Table 7) show a significant relationship. A chi square analysis yields significance at approximately the .02 level. Simply stated: those who had a technical background felt that their technical training was the most important factor, whereas those who had a general educational background felt that the form and not the content of education was most important.

TABLE 7. STRENGTHS OF UNDERGRADUATE EDUCATION

<u>Reported Strength</u>	<u>Absolute Frequency</u>	<u>Relative Frequency (Percent)</u>
Form of education	14	36
Technical	11	28
Travel	1	3
Analytical skills	4	10
Economics	2	5
Education combined with work experience	2	5
Other	5	13
TOTAL	<u>39</u>	<u>100</u>

The executives had a good deal more to say about the value of their education as related to their executive development and present role as top corporate executives. Typical responses were as follows:

It makes no difference what you study. It is largely immaterial except the things that train your own mind. You don't learn much in school; you learn to separate the wheat from the chaff.²⁰

* * * * *

I went through the conventional route in New York, through the public school system and high school system. The thing that wasn't very hard to figure out when I was a kid was that those who went farther faster were those with an education.

My mother and father were immigrants. They were both born in Ireland in the north of the country. They were very intelligent and very wise and very prudent and not formally educated. It occurred to me very early and to my two brothers, too, that given that kind of input you owed it to them to get educated. That is why they came here, so that maybe you would go farther and faster.

I have always felt that my father and mother never did really achieve the position they were natively en-

²⁰Respondent 15.

titled to and would have had it if they had been differently backgrounded. Therefore, it fell on me and my brother to achieve that fulfillment. In my case, I don't want to make this sound too religious or emotional but, I have always felt a strong instinct to fulfill a line that they started. I think the way I have operated is rather a good fulfillment of a start and I expect the same things of my son.

. . . I got an opportunity to go to Princeton, which is, in my opinion, the best liberal arts school around and my strong urging was to move all the way on the liberal arts side. On the other hand, you have to graduate and you have got to stay in a department for you to qualify. So, I got into Princeton's department of economics and social institutions. I took every English course, and every history, every music appreciation, every philosophy course I had the time to work in. . . They have since gone to a pass/fail system on your electives. At Princeton you take what you have to take and elective courses are pass/fail, which is marvelous! That permits a person to range over the whole keyboard.

I graduated cum laude from Princeton which wasn't bad on the basis that I was there two years.²¹

* * * * *

The major that one selects as an undergraduate is not as important as the mind-stretching exercises of the learning process. Also, the educational experience should include pride in the institution and a great deal of learning outside the classroom.

I was never a Phi Beta Kappa, although I was a high school class president. Everybody at Stanford was a high school class president.

A university is a community that provides a marvelous opportunity for participation in the whole life of the other students and faculty. It is an opportunity to be taught by great people who are insightful and inspiring people.²²

* * * * *

²¹Respondent 29.

²²Respondent 24.

My background is, first of all, engineering. Then I went to the business school at Stanford. I consider the engineering background, engineering discipline, as being the most valuable on-going, long-term influence that I have ever had. It is not the intellectual discipline so much as the approach to organized thinking; not in terms of remembering formulas. I couldn't do a differential equation today if I had to. But, I think the analytical approach is tremendous. Now, on top of that, the way the business school is useful to me today is because it opened the horizon and it dealt with so many more subjects that I have to deal with today. If I had to rank them one and two, I would still put engineering ahead of business.

You have to have an understanding of what is going on in this business. It helps. You don't have to have it, but it sure helps. After all, most of our assets are involved in fixed assets and this is bricks and mortar and machinery. So it is useful. I think it would be difficult to understand or to have an appreciation of this if I came from a law background.²³

* * * * *

The legal training and methodology of law school essentially teaches problem solving. It applies to most business problems just as it does to most legal problems. That technique and the skill learned there was the most significant part of my education. The analytical case method is combined with the Socratic method to force you to analyze the problem to its smallest component parts. You can do that with a financial problem just as easily as with a personal injury or with an acquisition.²⁴

* * * * *

Any technical education or engineering or scientific or research-oriented education develops in an individual the ability and understanding of the importance of being analytical, being able to solve problems in an analytical way; furthermore, sorting out

²³Respondent 19.

²⁴Respondent 28.

the unimportant, and putting things in the proper order. You can solve a human problem with this approach. You can solve almost any problem with it.²⁵

* * * * *

My formal education was technical, strictly technical. I think that an education really provides a place for a person to get started and it gets him into an organization. It is of great value that you have some area where you are an expert; whatever the area, there is some area you know as home base and where you are an authority.

There is not an awful lot of correlation between what your education is and your career. There is a tremendous amount of duplication of background. What really counts is what you do after you get started. A lot of young people feel: "If I take this or that, I am committed to it for life." That is only the entrance. Any organization is going to look for people with ability.²⁶

* * * * *

Some executives interviewed had undergraduate education that included both technical and a broad liberal arts background. One corporate president who had earned three academic degrees commented on his undergraduate engineering program:

In my own case, I had very good engineering training at Princeton. It was a good, general engineering background with a balance between civil, chemical, electrical, and broad liberal arts.

I am very proud of the basic engineering at Princeton. It was quite different from industrial engineering at most universities because of this particular tailoring. As a matter of fact, my father was instrumental in getting it started long before we went to Princeton and became involved in it. My older

²⁵Respondent 8.

²⁶Respondent 2.

brother and I took that course. I felt that it gave me an input that perhaps I would have obtained by working in a manufacturing plant for many years.

I have a sensitivity for many technical types of issues. I can read a blueprint; and when we start talking about problems of coatings, I understand molecular jargon, so I am not going to get overawed. I may not be current with the technical things, but I do know general sorts of things--heat balance, heat transfer and things of that sort.

. . . I had more economics courses than were required to get an economics major at Princeton. I have been a student, too, of history. History really is involved with people, and the relationships of concepts to people is one of the important things that one needs to do in general management.²⁷

²⁷Respondent 20.

CHAPTER 6

EDUCATIONAL WEAKNESSES

When the executives discussed areas they had neglected in their undergraduate education, the most frequent response cited accounting and finance.

TABLE 8. WEAKNESSES IN UNDERGRADUATE EDUCATION

<u>Weakness Cited</u>	<u>Absolute Frequency</u>	<u>Relative Frequency (Percent)</u>
Accounting/Finance	12	39
Liberal arts	4	13
Business administration	3	10
Computer sciences	2	6
No weakness	5	16
Other	5	16
TOTAL	<u>31</u>	<u>100</u>

An equal number of respondents with technical and general undergraduate background perceived accounting/finance as the chief area of weakness in their undergraduate preparation. On this subject, one of the interviewees, a corporate president, reflected that:

There are always things that you could add as skills. I majored in economics and that is very useful. The thing that I guess I needed most is some of the type of training in financial analysis as taught in a business school. We have MBA's here; and while I can make a financial analysis and forecast well enough for my own purposes, the treasurer does them twice as good and three times as fast. He knows a lot of tricks. He is getting a lot of training and experience that I didn't have. It would be useful to me if I could pick up one more year.

Management is looking for some of those brilliant MBA's with a strong financial background, especially if they came from a decent school. They are very valuable. They know how to do some things now better than most of the chairmen of the board who went to college years ago, even if they (chairmen) went to better schools.²⁸

Some corporate executives acknowledged the differences in what was available for their own educational background 20 or 30 years ago and what is offered today. Several company presidents learned accounting and finance on the job; some also took refresher courses; and others taught themselves. Here is an example of the latter:

Question: Where did you pick up your business background?

Respondent: It is what you call on-the-job training. I came here as a senior technical officer. We are a company that was structured so that I did the technical work.

In 1971, with a change in management, I was thrown into the position I have now (as president and chief executive officer). While I had, through osmosis, picked up a little bit of what the operating statement was and what the balance sheet might be about, it might have been a blessing not to know. We had very heavy financial problems. The advantage of not knowing any better was that I asked a lot of questions. What does this mean on the balance sheet and how do you get it off? You start asking questions such as: What is prepaid? What are the obligations? Logical questions start unfolding the problems. I learned about capital and the difference between what the banks expected and what they were entitled to.

I think the advantage was that I had a mathematical bent, no prior commitments, and I knew the technology. I was very much at home in all that. I was able to devote full time to understanding the financial end of the business.

²⁸Respondent 28.

Question: Knowing what you know now, and being thrust into a difficult financial situation, if you could go back in your education, would there have been anything that could have been done differently?

Respondent: I think that perhaps it would have been a bit more comfortable if I had had some of the rudimentary business school courses that would have made me more familiar with the terms. I would have felt better. I do not recommend that to become president you should not go to business school. It was just the way it worked out. It would have made it easier but would not have solved the problems.²⁹

When asked about his academic weaknesses now that he had experienced a combination of production and general management background, the president of one large corporation answered:

I would start with a need for a very strong background of finance and accounting. I think complementing that, particularly in this line of business, is a good comprehension of engineering principles because a tremendous amount of your time is devoted to establishing priorities for money allocations. You have also got to have innate or well-qualified trained ability to analyze a project or to interpret someone else's analysis. For example, discounted cash flow is a key element to running a business; so is portfolio analysis. You can't learn all this academically, but a good, broad understanding of it is almost critical to do an effective job. I went out and got this myself.³⁰

Still another corporate president with a high technology background and little or no prior academic experience in finance participated in inventing and developing financial information systems.

I feel the accounting system is technical. I can do that. There are two kinds of accounting: public and management. For too many years there was only one way. We had a different system long before everyone else was using it. In 1965-66-67, we had a review of our internal accounting system and drew up a system

²⁹Respondent 5.

³⁰Respondent 4.

that was designed to foster the kind of systems we wanted our people to make; an accounting system that reflects accountability.

Question: Do you mean identify the output and profitability of each organization?

Respondent: That is an insufficient definition. What is the composition of items it takes to produce the bottom line?

Question: Do you feel that you should have included other educational experiences that could have helped you as an executive?

Respondent: Accounting is one of the things you could easily say I could have taken. However, you don't put yourself back in the proper time frame to do that. I took the grandfather of economics, Professor Grant at Stanford. At that time I had no interest in it at all and I flunked it.³¹

A chief executive whose undergraduate background at the University of California, Berkeley, was primarily technical was sent to the Sloan Management Program at MIT during his earlier management career. He spoke of the weakness of engineering programs as regards business administration and management training:

Question: Looking back at the education you had, is there some area that you felt was deficient?

Respondent: Terribly deficient. In the technical areas you came out devoid of any teachings in humanities and the peripheral areas where you needed it if you were going into management in the technical areas. That was in the 1930's. There were some things not available then.

I was fortunate at the time that I had the opportunity (because of being selected by my company) to go to an operation like Sloan. But not many people can.

In those days, technical training was very, very narrow. Since then, and even in the 1950's, the en-

³¹Respondent 2.

gineering schools started to broaden.

Personnel relations, interpersonal relations, labor relations, labor law, finance, accounting should be included. I think that some of that should be available because when they get out, not many of them end up just as technicians doing a technical job. They usually end up supervising a crew of people in a very short time. I think it is necessary that you get some help in the understanding of people and the vagaries and human frailties and how to motivate people to achievement of objectives. I think that, at least in my time, it was not taught; and, it could have been available to us. I was fortunate, but not everybody was. You learned those things when you got out. I was plant manager a couple of years after college. I learned a lot on the job. I could have had some help.³²

³²Respondent 9.

SECTION II

SINCE COLLEGE

CHAPTER 7
ADVANCED MANAGEMENT PROGRAMS
AND
SPECIAL SEMINARS

The majority of executives interviewed spoke highly of the educational usefulness of such advanced management programs as those offered by the business schools at Harvard, Stanford, the University of California at Berkeley and the Massachusetts Institute of Technology. American Management Association courses, Conference Board seminars, special in-house programs with visiting lecturers, and self-study programs were also cited as valuable learning experiences that complemented their companies' own on-the-job management training programs. See Table 9.

TABLE 9
ATTITUDES TOWARD MANAGEMENT TRAINING PROGRAMS

<u>Attitude</u>	<u>Absolute Frequency</u>	<u>Relative Frequency (Percent)</u>
Not helpful	4	13
Some help	10	33
Very helpful	16	54
TOTAL	<u>30</u>	<u>100</u>

The interviewees strongly recommended, and in almost all cases, had themselves participated in special management training programs

throughout their careers. There was no statistically significant relationship (within the .05 level) when the responses for this question were cross-tabulated with previous questions as reported in Tables 4 through 8.

Many types of management development programs were discussed. It was clear that, with few exceptions, top management genuinely supported them. Respondents stressed both the educational significance of such programs and the role they frequently play in personnel evaluation and promotion. As one corporate president put it:

I have seen and been involved in a lot of companies. Everyone has a management development program, whether it is formal or informal--but I have never seen a company that gives the time and attention or goes about it the way we do. I am just so pleased at the way this program is working and the results from it.

What we do is require each division president and manager to identify those people in his organization that meet a couple of criteria laid down and identify those in the company who have potential for development. About 500 are now in the program. We sit down once a year. We're in the middle of these sessions right now. We spend a full day with each division and members of the staff that he wants there. The committee includes the top industrial relations guy and a couple from the policy committee and senior officers in the company.

The division president outlines, within the framework of strategic plans, what the management people needs will be over the next five years and what it will take to implement that plan for each key position in the business. It is reviewed as to how it is currently filled, whether it is satisfactorily filled or not. We consider if the person in a given job has the potential to develop. In the event of promotion or death, is there a replacement ready? Where will they come from?

Each person develops an individual development plan which is read and signed. It is accountability.

Question: Is this an MBO (management by objectives) approach?

Respondent: We wouldn't use the term MBO. We have developed our own in-house program. Each year when we review what has been done and the changes, the officers are involved. Part of a manager's performance rating relates to how well he has done his job, quite apart from his sales forecasts and money problems, whether or not he has carried out management development programs for his people. (The respondent reviewed the procedures during the interview, actually using the plans of one division as an example.)

There is a written strategy. The evaluation formalized what was done in that group for the past year. The individual plans send our managers to many outside programs. (Leafing through one of the books, he commented): One person took advantage of the Stanford Executive Program. Another vice president went to the University of Virginia for a course in managing corporate resources. Others went to various outside things like the U.C.L.A.

Continuing education is found in many ways. In-house programs are conducted by and for various people. An example of one such course is Finance for Non-Finance Types.

This program reaches down into the organization at whatever level it has to, even for the foremen. For example, the foremen are interested in industrial relations. They ask for training in basic labor relations. It has paid fantastic dividends to us. First of all, it gives people opportunities. Secondly, it provides the company with a source of management to grow.

In the program, 50 of the 500 are women, although I don't believe in quotas. It should be for everyone.

We pull out the notebook to look for potential replacements when the need arises. And it often does, as in the case of one vice president who had just had a physical exam, suffered a cardiac arrest, and died the day after the physical with no history of any problems at all.³³

³³Respondent 22.

Several other interviewees described similar programs in their companies. A recurring comment was that the most effective management development programs were tailored to meet the needs of specific individuals within a structured organizational framework.

In more than one case, the management development programs were temporarily discontinued because the chief executive officers felt they were too successful. The respondents reported that they found themselves training people for other organizations. They referred particularly to the younger trainees.

We are very reluctant to hire graduates on their first job. By policy, by understanding, we don't. Our experience has not been good. We prefer them to have more experience. I want him to get a lot of his illusions lost. I'll take him on his third move. This stems principally from the fact that at one time, a lot of college recruiting was done, and we found that we were training people and maturing people for somebody else. I don't think the investment paid out so what I would rather do is let someone else take these people for their first or second job. I would prefer to hire them when they are five years plus out of school. Whether they have had one or two jobs in the meantime won't bother me because now they will have a better idea of what business can offer for where they can fit in with it and what they can expect in the way of challenge, responsibility and advancement. I am talking about a reasonably bright person but not the son of an owner. I refer to someone who is going to be on his own.³⁴

Almost all the respondents' companies conducted some form of management development program. Many of the executives were of the opinion that it was as much the employee's responsibility to seek self-development as it was a corporate responsibility to identify and select "future promotables" for management development. The chief executive officer of one large company expressed the following strong personal conviction:

³⁴ Respondent 10.

You need to say to yourself: From this day forward, beginning right now, I am going to continually follow a process of developing myself in every way that I can so that whatever opportunities come, I will be ready.

When I came into this business, I was an engineering clerk, but I started doing things outside the business that would develop me. I joined a speakers club, got involved with Toastmasters, studied the industry's practices and methods with a small group of people that I got together so that we could relate to each other and motivate each other. I tried to read broadly. I tried to associate myself with people who shared my own desire for personal growth or self-development. I tried hard to not get in an environment which would destroy or erode it. I tried very hard to insure that as I was growing in the business and in my life that I kept continually before me the need to make myself as valuable as possible by growing and developing. Growth and development can come in many ways.

Basically, the individual needs to start with intelligence. There is no substitute for that. Most of us take advantage of only a small fraction of the intelligence we have. I am not an overly bright person. I am not a genius by any means and I am not nearly as smart as many people in this company. But, I have continually tried to take full advantage of what I have and to develop it to its maximum. To give you an example, I have seen many people on the golf course who flail away at the ball and don't think about what they need to do to improve. This is what many people do in business. They flail away at the job without thinking about what they can do to make the job better or to equip themselves to swing better at the ball or to do better in business.

Basically, the development program that I am talking about is the program you do yourself. I have said it over and over: the man who wants to be developed never is. The man who is developed is the man who wants to develop himself. You can't give someone a hypodermic injection of developing. He has got to do it himself. And you can't give him muscle. He has got to build muscle. You can, however, be sure that the man has opportunities to show what he can do. Consequently, we continually try to put people in increasingly challenging positions where they can show growth and development. We try not to leave people in the job too long. We try not to let people get stereo-

typed, to get narrow. This is such a big company and we have so many facets to it that it is possible for a person to get stuck in engineering or to get stuck in public relations or to get stuck in statistics or in accounting or whatever, and we try not to do it. It is bound to happen in a company this big.

We try to identify early those who have potential. We try to move them around and try to find out if the early identification was right. We are starting to do that with people at the higher levels with the company and some of them are given management development programs. They go to Harvard for three months or U.S.C. or our own program during the summer.

Question: Have you personally participated in these?

Respondent: I am one of the few in the company who has never been to any program. It is a strange thing and I have often thought about it. I say this modestly. I have not been able to be spared to go to one of these damned schools. And I have always wanted to go. They had a program where you went to the University of Pennsylvania for a year, given a sabbatical. I wanted it in the worst way because it got back to the things I felt I had missed in college. I was never able to go. I haven't been to our own management development program in the company. I was always busy or I was being moved at the time I was scheduled to go or something. I have spoken to its groups and I have been a trainer and instructor, but I have never been to one of these. I am the only one in an executive position who hasn't.³⁵

It was also widely agreed that participation in management development programs, as well as the content of the programs themselves, need to be decided on an individual basis. There was general emphasis on the importance of professional, individual counseling for the benefit of the candidates as well as the organization.

I like to see that everyone is given the opportunity to participate in those programs. Not just someone you like to send because you like the color of his eyes.

³⁵Respondent 21.

And I come back to where I think it is a highly professional area. It is so because you are really trying to have someone tell you whether this person is capable of moving up or whether you are creating a problem. Move the wrong man beyond his level of skills and you can cause him to commit suicide. If he is the worrying type, you shouldn't put him there regardless of what he is saying to you about how he wants the job.³⁶

It was clear that management training and personal development could take many forms. Typically, as career paths progressed to top executive levels, both management development and personal development changed from technically oriented to general.

Question: Have you been involved in other courses during the various phases of your career development?

Respondent: I took the Stanford Executive Program at the Stanford Business School. I found that to be of considerable value. Your own university (Golden Gate University) was of assistance to me in the area of teaching. I used to teach insurance courses at Golden Gate and I have always felt that I learned more than my students. Of course, along the years, especially in my younger years, I have taken a lot of insurance courses, both at Golden Gate and as they used to call it, Pacific Fire Underwriters or other local educational groups that taught courses on individual subjects.

Question: Would you comment on your company's involvement in management development programs?

Respondent: Yes. We have a very fine training program, at least in our opinion. We bring the trainees in from all over the country. They study here in courses that range from two to three weeks in duration. Previously, though not in the last several years, I assisted in the development of the program, both the specific technical, in the areas in which I specialize, and in the area of overall management development techniques. Of course, we have used out-

³⁶Respondent 7.

side assistance in that area, and we send our people to various levels of management training.

Question: The training programs you have are not just for insurance and technical matters?

Respondent: No. We have a very comprehensive supervisory training program. We are trying to teach people how to be good supervisors and we carry it to a higher degree in trying to teach them how to be good managers.

If you were to visit some of our offices, you would see classes conducted right in a branch office level where there will be a supervisor talking to nine or ten employees, really carrying the training down to lower levels.

At the lower levels it is mainly training technicians. As you get to a higher level, we are doing training of a different nature. We are training management skills. And, as you well know, some people make excellent technicians and not good managers. Some people make good managers and not very good technicians. You only find out as they perform and as they respond to training.³⁷

In the case of one company, in-house training was compulsory.

As the firm's president described his company's policy:

We do a lot of things. We bring in professors. We have a management development training center. We have equipped one whole building with classrooms. It is a separate place. We can force our people to go to those.

If I keep advising them to take time off (for training and education), they won't do it. They get too caught up in the job and there is no time. We all work 18 hours a day. Ten years later, it is too late. It is harder for an individual to back up.

They (mostly engineers and high technology management) have classes in finance, economics, and we also have a Great Books Program. It is done because an engineer needs it and never has enough of it. We do have technical courses also because our technology

³⁷Respondent 14.

moves so rapidly. We have good engineers, but they need to get refreshed.³⁸

Very few of the respondents had had no training. One of the few executives who himself had no post-collegiate training and whose company offered no management development program, gave the following explanation:

Question: Have you been involved in taking other courses since becoming president?

Respondent: I have not, only because I haven't had time. I took the cowardly route and hired a fellow who has a specialty in finance.

Question: Does your company have a management development program that encourages people or do you expect them to participate in programs offered through industry?

Respondent: No. You have to understand why. This company is relatively young. In a sense, we were all involved in agricultural activities. The 1960's changed their whole concept. Today, we are diversified through a lot of acquisitions. We came into the 1970's with a lot of small entrepreneurial type divisions that have now gone to the second generation. The entrepreneur doesn't live under a corporate structure. We are still scrambling. We would like to have such programs. Younger people are involved in this office. We try to get them and expose them so they will be a valuable part of this company.

This office is an ivory tower. Earnings come from divisions spread all over the world. The business isn't in this office; rather only the legal, accounting, treasurer, and all the staff functions are here. The other organizations are not big enough to have such programs.³⁹

One of the seminar experiences that consistently received praise from corporate presidents was an annual conference conducted by the Conference Board.

³⁸Respondent 12.

³⁹Respondent 25.

There are many ways of getting education. For executives the Conference Board has what is called the Yama Conference. It is generally for chief executives and is held in the Catskills. It started in the 1920's. It has subsequently grown in the East, Midwest, and Pebble Beach (California).

Twenty to thirty men go to these four different sessions. The entire session has each one of the individuals talking on any subject he wishes to talk about for eight minutes. Then there are questions.

Just hearing that many men of that calibre talking on some subject means you are really getting a lot. In eleven hours you really get a terrific amount of business acumen being thrown at you.⁴⁰

* * * * *

We are a member of the Conference Board. I go to these things. I have been to the Conference Board sessions at Carmel (California) a number of times. They are very good from the point of view of giving you exposure to other people. The thing that I have been impressed by is that these titans of industry are as fallible and as human as anyone else. A leveling experience is gained by this, and it adds to perspective.⁴¹

* * * * *

I think Conference Board sessions are ideal. The executive is away from the business only for two or three days.

They have an around-the-room discussion.

I have participated in these kinds of things regularly and have been to one or two every year since 1958. I have been chairman of several.

It is a great opportunity for people to exchange ideas in a totally antiseptic kind of atmosphere. No one is taking any notes and you are not going to be quoted in any newspaper. And if you say the wrong thing, your stock is not going to go down. There are

⁴⁰Respondent 20.

⁴¹Respondent 5.

no inhibitions that people might otherwise feel in their normal environment. There is great opportunity to get with your peer group and talk about whatever comes into your head.⁴²

Organization Development

Organization development is a process of group participation in the continuous improvement of the organization's structure, human relations, and performance. It assumes that people learn best by doing and working on actual problems.⁴³ It is an important aspect of people-development, corporate social systems, and on-the-job training. These, in turn, are closely related to management development. The Conference Board defines organization development as:

a planned, managed, systematic process to change the culture, systems, and behavior of an organization, in order to improve the organization's effectiveness in solving its own problems and achieving its objectives.⁴⁴

It is therefore not surprising that there is a significant relationship between top executives' support of management development and organization development. Please see Table 10.

⁴²Respondent 16.

⁴³The Conference Board. Organization Development: A Reconnaissance. Report No. 605. New York: The Conference Board, 1973. p. 3.

⁴⁴Ibid., p. 2.

TABLE 10

ATTITUDES TOWARD ORGANIZATION DEVELOPMENT PROGRAMS

<u>Attitude</u>	<u>Absolute Frequency</u>	<u>Relative Frequency (Percent)</u>
No. program	3	10
Minimal	6	20
Heavy commitment	<u>21</u>	<u>70</u>
TOTAL	<u>30</u>	<u>100</u>

Chi square analysis of the cross-tabulated data in Tables 9 and 10 shows a correlation within .05 level of confidence.

Organization development deals with human behavior and leans heavily on such social science disciplines as psychology and sociology. On the face of it, one might therefore expect a stronger commitment to organization development among executives with a general or liberal arts background than among those whose formal education had been chiefly technical. Yet this did not, in fact, prove to be the case. The distribution was equal. See Table 11.

TABLE 11
EDUCATIONAL BACKGROUND AND COMMITMENT
TO ORGANIZATION DEVELOPMENT

<u>Attitude toward O. D.</u>	<u>General (Liberal Arts) Background Frequency</u>	<u>Technical Background Frequency</u>	<u>Combined General and Technical Background Frequency</u>	<u>Total Frequency</u>
No program	2	1	0	3
Minimal	4	1	1	6
Heavy commitment	8	11	2	21
TOTAL	<u>14</u>	<u>13</u>	<u>3</u>	<u>30</u>

Assuming the sample to be fairly representative, and if there is a difference between a general or technical background, the lack of correlation may be explained by the fact that all the interviewees had had actual managerial experience. The subsequent years of corporate experience very likely overshadow the orientation of undergraduate education.

The late Abraham Maslow, a psychologist well known to organization development practitioners, for a time maintained an office at one of the respondents' companies. The company president⁴⁵ indicated that although Dr. Maslow was originally there as an observer and not a resource person, he was nevertheless regularly sought out by management as well as employees. The company president elaborated further:

One of the most interesting experiments has been our O.D. (organization development) program with Mr. _____ (Vice President, Human Relations) for the past seven years. He has worked through the American Management Association and the National Training Labs (sensitivity training). Sensitivity doesn't work in family groups such as ours. (Family groups being small management organizations.) It has been helpful in non-family groups. It opens up communications.

Question: Is your O.D. program limited to management?

Respondent: We have to. It is physically impossible to go through an organization with 37,000 employees.

One woman does work on staff groups and has success there. But it is limited in that there is only one of her.

The men ask for O.D. It is very effective when starting up a new account. Our district managers deal with employees left over from another management. Naturally, there is apprehension of someone else's old employees--on both sides.

⁴⁵Respondent 17.

We were practicing this on an informal basis before O.D. came along. Perhaps if we were in a manufacturing business, we might not be so concerned. But the nature of our product (service) makes the difference.

In the course of our (company's) career we have developed people.

Another corporate president described his exposure to management development programs with Peter Drucker and other time management programs. He added that,

Over the years I have had some exposure to some of the great men in business, such as the managerial grid system of Blake and Mouton. I had it two times. And, of course, I also studied organization development.

The (parent company) format was to bring in 15 or 20 in the training center for a week with these men. They'd bring in outside speakers who were multidisciplined people. They developed things that have been done by other people, such as game situations and gave them the fundamental ingredients of insurance company problems. A very fine experience.

Question: Do people in your own organization have the same opportunity to participate?

Respondent: To a limited degree. I would predict that there will be something that is more available to them in the future.

There was a period of time about ten years ago when this was toned down by the (parent company) for economic reasons. It is coming back up now. There is more awareness of the need. Some of the people in the subsidiary companies have not had the exposure that people in my age bracket have had.⁴⁶

Organization development involves learning experiences for the participants. Among other things, these experiences are designed to develop techniques of problem identification, problem solving, team

⁴⁶Respondent 23.

building, conflict resolution, and performance evaluation. Some companies, on the other hand, engage in this activity for rather more limited and specific reasons:

We just got through an organization development program about four years ago, reorganizing our management. A lot of the key elements of this was communication. We are a broad-based, very diverse, international organization.

Communicating with people is a management responsibility. We explain where we are going. Where do you fit into this? How do you relate to this bottom line? It is very meaningful.

The essence of good management is how well you can relate with people. I do a tremendous amount of traveling, and I do it with just one thought in mind: I want people to know what the task is, how I feel about it, and how their job stacks up with me, on a one-to-one basis. This is about as direct communication as you can get. In this process, you get people that generally have a well-defined purpose. I encourage management to spend 40 or 50 or 60 percent of their time in this way to explain our strategies and communicate with their people to let them know where they fit. This is the type of thing that either represents the strength of management or an abdication of it.⁴⁷

The chief executive officer of a company with a strong policy of financial support for employees' education and development nevertheless added what he considered an important qualification:

I am all for management development programs and management development courses and I don't have any real "kick" against people development courses. But what I object to is too much emphasis on behavior and psychology when society is really crying out for people who are trained to do specific things.

⁴⁷Respondent 4.

You can get yourself psychoanalyzed out on the street almost by stopping anybody you can get, but try to find a guy who can fix your television.⁴⁸

⁴⁸Respondent 16.

CHAPTER 8

THE WELL-ROUNDED EXECUTIVE

There was no specific question regarding the generally held notion that corporate executives ought to be well-rounded people. Yet, 19 of the 30 respondents volunteered their own comments on the subject. See Table 12.

TABLE 12

ATTITUDES REGARDING IMPORTANCE OF BEING A WELL-ROUNDED EXECUTIVE

<u>Attitude</u>	<u>Absolute Frequency</u>	<u>Relative Frequency</u>	
		<u>Percent of 30</u>	<u>Percent of 19</u>
Don't care	3	10	16
Some concern	5	16	26
Heavy commitment	11	37	58
No comment	11	37	--
TOTAL	<u>30</u>	<u>100</u>	<u>100</u>

The data in Table 12 was cross-tabulated using the chi square analysis with the data reported in the previous tables. The relationship of attitudes toward management development and attitudes regarding the importance of being a well-rounded executive approached significance at the .07 level. However, there seems to be an even more significant relationship, .02, between attitudes on organization development and attitudes regarding the importance of being a well-rounded executive.

Some companies have gone to great lengths to encourage and help executives broaden their perspectives beyond the immediate job and the corporate organization.

(This company) as an institution is interested in developing the whole man. Every year we send a group of our promising officers to Pomona where they don't teach them (about our industry) but, rather, art, art appreciation, poetry, comparative economics, literature, comparative societies, Yugoslavian communism, Peking communism. They broaden the aesthetic. The education of everyone is best to be broadly based. Education is infinity. I am involved in education as a contributor, as a participant, and as a learner. I am a slow learner.

The (company) spent its own money to do an Andrew Wyeth exhibit, an exhibition of a Chinese archeological excavation, and has sponsored sending the symphony to Japan.

We try to develop "the tomorrows" 10 to 15 years down the road. We want our key executives to be broad before they get there.⁴⁹

One of the respondents, looking back at his own background, offered the following reflections:

It is the living of life that really prepares.

My formal training was all technical. That was the focus of all the schools I attended.

I have personal regrets for not studying languages. I felt inadequate in the international situation. However, I refused to live, participate, and work in countries where I was the boor by not knowing the language. I learned German, Japanese, and French.

I would like a broader schooling in the humanities. I would like to be more urbane in understanding the Greek Theatre and to be a more totally rounded person, to be a cultured individual. Those are the kind of regrets. However, nobody can be all things or

⁴⁹Respondent 15.

everything. You have to keep fine-tuning the important or the germane as a necessity.⁵⁰

Another executive officer had this comment on his experience with a company-sponsored program designed to help develop well-rounded executives.

It goes back to the college training where a person can get launched on a program involving the whole man. It is disappointing to say, not very many people do.

We have tried to do something like that here with a modicum of success. That is, we have had broad cultural programs for our people conducted on the premises under our auspices. That is really the answer. There are conferences. There are some semi-sabbaticals. Some go to U.S.F. or Stanford for six weeks. Those programs are good because you have to do something as you advance.

One has to be a broader person. The executive is no longer worrying about the details as much as the broad picture and its effect on people and life and the environment all together.

Question: Do they volunteer or is it by selection?

Respondent: It is by selection. We send some people to Aspen, to various types of psychological training. We send them to courses at Menninger in Topeka. It needs to be sponsored by the company, but you can't send the person unless he wants to go.

Question: When you are evaluating promotable executives, are you always looking towards what they will grow into? Is this what you have in mind?

Respondent: Yes, and you are going to give some people technical training. You offer the broader training to the person who you think has the highest ultimate capacity.

Question: Aren't they delighted to go?

⁵⁰Respondent 22.

Respondent: Yes. I have had some turn it down, though. It may be their way of saying: we don't want more responsibility. Some people cannot say it overtly. Not everyone should be chief executive officer. Maybe some who are shouldn't be.⁵¹

CHAPTER 9
PEOPLE-ORIENTED EXECUTIVE

The executives interviewed showed a strong concern for people, both those in their own corporations and the public at large. Although no specific questions were asked on the subject of the respondents' degree of people-orientedness, 29 out of 30 of the interviewees commented on the matter.

TABLE 13
EXECUTIVE ATTITUDES REGARDING PEOPLE-ORIENTATION

<u>Attitude expressed</u>	<u>Absolute Frequency</u>	<u>Relative Frequency (Percent)</u>
Indifference	2	7
Some concern	5	17
Strong commitment	22	76
TOTAL	<u>29</u>	<u>100</u>

There is no correlation with any of the previously discussed data on the information on Table 13. The interviewees realized the key importance of understanding and being able to work well with people.

Some of their observations in this regard have already been included in previous sections of this report, particularly in connection with the executives' views of management development and organization development.

One pragmatic observation on the need to be concerned with people was expressed by the chief executive officer of a large service company:

I have always said that my biggest job wasn't to turn out a product or a service, but it is to develop men to do that job for me. I have to get the job done through others and I don't do it all. There are 96,000 people in this company and obviously the only success I have will come through their efforts.⁵²

The interviewees also expressed a good deal of concern for their employees as people. Specific individuals were discussed to explain or illustrate various general topics. Some of these comments were favorable, some were not. Yet in almost all cases, the interviewees gave the distinct impression that they were definitely not insulated from the personnel in the organization.

One respondent revealed his familiarity with his organization's personnel in the following observation:

We have gotten some young fellows who have just been tremendous. We have a young vice president here, 29 or 30 years old. He came in about seven years ago with us. We were fortunate in getting one of the outstanding graduates of U.C.L.A. three years ago, and he is running one of the warehouses right now.

What I liked about the young man is that he said that he wanted to get his hands dirty. He wanted to learn this business from the ground up.

That guy will go far because he is working with people out there and the people like him. He is going to go far. Some fellows come in and they want to go into the head office and sit behind a desk and go from 8:30 to 4:00 and that is it. Not this young fellow.⁵³

⁵²Respondent 21.

⁵³Respondent 9.

Later during the interview, the same executive also commented on how important it was for employees to relate well to their own peer group.

If you don't have any integrity, then you are dead. They will guess you sooner or later just like the guy who wears his ambition on his sleeve. His superiors may never see that but the people down below will hate him and his peers will get him.

Another corporate president applied this same characteristic to the matter of executive selection and promotion. He pointed out that in his view:

There are two ways in which people rise to high places: "pluck" and "squeeze." The guy on top reaches down and plucks. This is not the best method. Squeeze is when there is peer selection and the troops select leaders. It uses theory Y (referring to MacGregor's theories X and Y). However, it is slower, but better. A natural leader will come into it.⁵⁴

The president of another company revealed how he had brought his alertness to people to bear on an unexpected recruiting opportunity:

When I was over at Berkeley talking to a group of graduate students, I came away with the feeling that there was one person in the room that was really asking good questions and was really sharp. So, I had someone in our personnel department call over, find out who she was, and invite her over here. But, we were not just going to lock her in. I said to go ahead and get two or three other trainees and run her through the department heads and see how she fares. It ended up that she was hired and is on a management development program. We do have a program. It is the first we have had in about five years, though.⁵⁵

⁵⁴Respondent 15.

⁵⁵Respondent 10.

Another executive's recognition of the importance of being people-oriented came up in the following interview segment:

Question: Of all your experiences, educational and business, is there any that seem to have the most profound effect on your career?

Respondent: There is a certain feeling of motivating or getting along with people. I have always wanted to be liked, to treat people in a quiet way.

I have surrounded myself with those who can do the kind of job of marketing, merchandising, or whatever it is, in a people-oriented business.

In analyzing the various businesses, banking or securities or real estate, I am not sure you can ever get away from the premises of people unless it is a highly technical area. If you sell, though, you will know about people.⁵⁶

Still another company president had this to say about management and human relations in his organization:

Everything is quite informal. In talking about a problem, there are six of us, a president and five vice presidents, and the work is largely delegated. There are very few things I do directly. I work as sort of an assistant and consultant to everybody else and if anyone has more than he can handle, I am available. As a result, that lets me keep my hand in everything and keeps me informed about everything. I have a lot of contacts with the vice presidents. In addition, they have quite a bit of contact with each other. I am in the office an average of four days a week and I see every vice president two or three times a day. There is no formal committee structure.

Stability is the keynote here. It is a very comfortable, pleasant, and stimulating system. We all like it because there isn't the frustration of getting committees together and committee decisions and getting action on somebody's idea. We may make a decision within an hour. Usually decisions are made because mail piles up and everybody else has

⁵⁶Respondent 18.

other work to do. Make a decision and go on to the next thing. The pressure is there when you have an understaffed organization. I try to keep myself available to help the others.

I don't think we are trying to revolutionize the science of management, and we are never going to be in any business school case book as an outstanding example of a very clever operation. But from a human level, it is a lot more fun!⁵⁷

When asked what educational experiences since his college days had been most useful, the chief operating officer of a multinational corporation replied:

Two things. Extensive reading of all types of business publications and contact with people.

I make an effort to go to business meetings where I can meet people and hear their philosophies and their problems--and sometimes you learn more over a drink. You learn about people. You respect and exchange ideas with them.

In my particular case, I have been able to travel a lot. It has been very useful to me to get an understanding of how people do things all over the world.

You learn from people that you work with and you learn a lot about people who work for you.⁵⁸

And another company head emphasized what he considered the central importance of people-orientedness in the selection of executives in his organization.

A person in this company has not done it without a sensitivity for the human element. It will not be someone who has run roughshod over people. If they had, they would not be here.⁵⁹

⁵⁷Respondent 28.

⁵⁸Respondent 30.

⁵⁹Respondent 1.

An even more forceful statement of this point of view was made by the top executive of another firm, a man who had spent his entire professional career with the same company.

We have 38,000 people. I know 15,000 to 20,000 of them. I was with (the company) for 42 years. I've worked in New Orleans, Houston, etc. I worked in a lot of places. You get to know a lot of people, all the people in the Bay Area. You have to know your people. "Who was responsible for this idea when it was developed?" is a question I always ask. The people thing is terribly important.⁶⁰

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I have been what I would call a people-oriented person, and I think this side of it led me into general management.

I think there are certain kinds of people, extremely capable technically, who are not very capable in terms of personal contact. Some are personally abrasive. But I enjoy this, and I think I have always had good rapport with the people with whom I work.

You have to work through other people. And if you can't work with other people, you are all by yourself. The days aren't long enough for one man to do it all.⁶¹

Nor did the interviewees simply equate people-orientedness with liking people. As one of the respondents made clear, it also involves seeing them for what they are, with their strengths as well as their weaknesses.

I think the success of our (company) will be the retention of a people-orientation. (This) business is very personal. People on people. Not service in the sense of a telephone company or any of the other utilities, because they just deal with an amorphous mass.

⁶⁰Respondent 8.

⁶¹Respondent 6.

The utilities haven't produced a good personality, almost ever. That is part of their problem. That is why they are catching it. Because they dehumanize it.

We are going to make this a company of highly individualized individuals.⁶²

Later in the interview, the same executive volunteered his frank assessment of one employee who had "impeccable academic credentials," but was nevertheless a disappointment because:

He is a boy. He will always be a boy. He will never be a leader. He works on the shadow, always dealing with appearance. He, himself is an appearance. He is not a reality. I don't know where his education went. I think he could still play it back. I think it is still there, but it never got in his gizzard.⁶³

⁶²Respondent 29.

⁶³Ibid.

CHAPTER 10
COMMUNICATIONS

Although it was not specifically included in the interview guide, at least half the respondents included some discussion about the importance of effective communication. See Table 14.

TABLE 14
IMPORTANCE TO EXECUTIVES OF COMMUNICATION SKILLS

<u>Attitude</u>	<u>Absolute Frequency</u>	<u>Relative Frequency (Percent)</u>
Not important	1	7
Some importance	2	13
Very important	<u>12</u>	<u>80</u>
TOTAL	<u>15</u>	<u>100</u>

A cross-tabulation of the data in Table 14 with the data regarding attitudes toward management training programs, Table 9, was statistically significant within a confidence level of .01. It is inferred that there is a relationship between a strong commitment to management training programs and attitudes of executives regarding the importance of developing communication skills. Cross-tabulations using the chi square analysis with the other data did not show any other statistically significant correlations.

One of the respondents, quoted in the previous section on the subject of organization development, also indicated in the course of those remarks how important a factor in management he regarded the matter of communication between managers and employees.⁶⁴ Several other executives similarly stressed the ability to communicate as an essential aspect of successful management.

One chief executive officer, whose company has neither a management development, nor an organization development program, and who was particularly concerned about establishing rapport with his associates, offered the following frank admission:

I think I am a damned good communicator. The only thing is some of my associates don't listen very well.

The key to the whole field of communications is a fascinating thing to me. I spent a lot of time in foreign countries and one of the curious things to me is that I don't have any more trouble communicating with a Japanese businessman than I think I do with one of my American associates. I am speaking more of the spoken word. It has always been intriguing to me that you can sit down and talk with a man in broken English and really because of the intensity with what you have to concentrate on and the simplicity with which I try to express myself in those instances, the communication is frequently better than with an American.

I don't think there is any problem in getting an interchange of ideas. I do think there is some problem in, some diffidence on the part of some of my associates or subordinates in volunteering ideas because I think I probably have a little bit of an aura of stand-offishness that they are unwilling to test.

⁶⁴Respondent 4.

Each of them will probably tell you that they will not have any problem coming to me with things that they are uncomfortable with or that I don't want to hear. And, God knows I hope that is the case! But I am still not sure that each of them will tell you that there is an open gateway as it really should be.

I don't cultivate (people) and, which they don't understand, I would prefer it that way. I am not much of a socializer with business people. I generally tend to be the other way. And yet, I have no problem sitting down and having a guy tell me he doesn't think what I am doing is right. There is a very understandable reluctance on their part to phrase issues that I would negatively be reacting to or perhaps I would be sensitive about.

I guess all of us have a certain tendency not to want to hear bad things. I think I have a reasonable ability to handle it, but I am not sure that I have been able to convey that in a way to these people quite as freely as it should be.

It is a great gift to get people to come out without getting it to a point where it is counter-productive.⁶⁵

Another corporate president expressed his own personal concern about improving his subordinates' ability to communicate in writing.

I edit letters here a mile a minute. They (subordinates) send me copies of letters that they have written. I work them up with a better way to say it, in my opinion. I send the letters back, and they agree that it is right or a better way to say it.

So, I am constantly trying to help my fellows as fast as I can because I don't have that many years left. I am not the Second Coming; but I have an obligation to others because others took the time to teach me.⁶⁶

⁶⁵Respondent 27.

⁶⁶Respondent 29.

The president of one technically oriented company suggested:

I guess if I have one conviction that relates to success in business or in life generally, it is that people ought to develop communicative skills. I think it is unfortunate today that the written communication skills are below their proper standards when students get into high school. It is my feeling that an indispensable part of any curriculum in business, or anything, should be a reasonable amount of speech and other courses that can be arranged to teach people how to write.⁶⁷

Two top level executives with legal backgrounds had the following observations about the importance of precise and skilled communications in the business world:

I think one of the great disasters, and something that is so widespread, is the lack of ability of people to communicate and also the ability to think.

You can't think without words. Most people really don't learn to read and to write and to deal with the logical tools of thought, which are words. So that is one reason a liberal education is important. A legal education is important because there, observing the mysteries of language, words mean what you say. With the typical advertising approach or the typical "man on the street" approach, you kind of know how he feels about something, but not very accurately. In a sense, you know he is for or against something, but you don't know why or how much.

So, let me stress the importance of the ability to use words. You can't handle your own thoughts right if you don't know the difference between good, pretty good, excellent, fantastic. Most people say fantastic when they mean pretty good.

Many students come out of college and they still don't know how to use language.⁶⁸

⁶⁷Respondent 30.

⁶⁸Respondent 3.

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There is a general lack in the use of the English language. It is in every communication, both written and oral. I think I am grounded fairly well in it. I am a bug on clear writing, whether it be legal or whatever.

Another aspect of it is public appearance and formal speech-making which is different now with news conferences and TV talk shows.

For anyone who wants to go very far in the corporate hierarchy, it is important to have that understanding of the news media and a grounding in public speaking. I would have enjoyed having more public speaking. I was thrust into it as a lawyer.⁶⁹

⁶⁹Respondent 26.

CHAPTER 11

INFLUENCE OF ANOTHER PERSON

There is no consistency in the pattern of the respondents' backgrounds. They were born and grew up in different areas of the country. A few came from families of wealth and social position. The majority, however, described themselves as products of the Great Depression, poor boys who had to make it more or less on their own. Many of them, however, readily acknowledged the help personally, as well as professionally, of other people. Fourteen of the 30 respondents discussed and reflected on the important part that such assistance had played at different times in their lives. There were comments about parents, classmates, business and professional associates and role models of one kind or another. Most of these influences the respondents saw as having been beneficial. A few were viewed as the opposite.

The respondents introspected a good deal about the people from whom they had received counsel and guidance. The following comments were made by the same executive at different times during the interview and show exceptionally deep appreciation of his parents as well as a number of business associates.

I was raised by a family that had very deep ethical beliefs, who were very bright activists in their own ways, both my mother and my father. My father was a prominent businessman and very active in cul-

tural and governmental agencies. My mother was extraordinarily active in charitable works and things of that sort. And we had a household where there was a great love, an effect which gave your ego stability.

The home life is an important aspect.

. . . these five gentlemen (bosses at different times) all had a very substantial impact on my training. I was very fortunate to have every one of them. They were superb people. They were all uniformly ethical, uniformly bright, and they each of them had particularly outstanding qualities. Over and above the general qualities, they had breadth. I learned from that first gentleman, and he also became my last boss. He had a great sensitivity about how to have open communications, and he had a great way of organizing his thinking about problems. The second boss I had, the executive vice president, was a brilliant negotiator and a chess player. He was a very great forward thinker, and I learned a great deal from him and this entrepreneur who had built his own business. I learned a great deal about entrepreneurial thinking and how you really started a new business. This fourth man was also an excellent entrepreneur. The final boss gave me a certain toughness. He was really a very kind soul, but he gave me a great insight into how you tune in to important issues.⁷⁰

A small-town boy who is now president and chief operating officer of a major, high technology company spoke fondly of two teachers who were particularly important to him:

I grew up in a small school community with 15 students in our high school graduating class. A teacher in my high school convinced my parents and me that it would be useful for me to go to a junior college in Chicago where he had gone. We still are very good friends. He taught math and science. He made a turn in my life after the service. I had an athletic scholarship and he convinced me it would be the wrong thing for me to do. He encouraged me to get into the academic area, which I did.

⁷⁰Respondent 20.

Also, I lived with a professor at Northwestern in their home and I worked for my room and board. He was head of the economics-history department. Both he and his wife were extremely fine people, and he helped me a great deal. This has influenced us (my wife and me) to encourage one of our children, a daughter, to attend Colorado College, a small college, where she has individual contact with her teachers there.

The contact between student and professor is essential. To develop personal friendships, to have someone with whom they can communicate about life and also from a career standpoint, is fantastic.⁷¹

A corporate president whose educational background was in economics and sociology was fortunate to have landed a job with a company whose founder had a global view of people as well as economics and societal structures.

I found a very exciting home in (the company). It was headed by the founder who was Murray Lincoln, president of the Cooperative League. He was also founder and the first president of CARE (world relief organization). He was a man who could really get to a person like me who wanted to find something in the business world that meant something.

He took the younger men, who he thought were the coming executives in the head organization, and saw to it that most of us got a company-paid trip to Europe for three or four weeks. The objective was not fun and games, but it was to realize what was happening in the world. People were doing things differently. They were recovering from World War II. I went over in the mid-50's for three weeks. He saw to it that the company's top officers went. We had two day trips also to the U. N. to meet with some of the delegates to see what was happening in the world. This tied in my educational experience in the company.⁷²

⁷¹Respondent 30.

⁷²Respondent 23.

Other respondents recounted similar experiences that had contributed to their personal and professional development. The interviewees seemed anxious, indeed, that the role of such influences be recognized and the people in question given due credit.

CHAPTER 12

SELF-DISCIPLINE

There was also no specific question asked during the interviews as to the respondents' behavior patterns, work habits or personal philosophy. Yet, 16 of the 30 executives brought up the subject and talked about the importance of self-discipline. They generally regarded the ability to be self-disciplined as not only desirable but absolutely necessary for success as an executive. Self-discipline, as they saw it, was integrally related to strong motivations and determination to succeed through achievement and competition.

One top executive had this to say on the subject:

Work hard, work smarter, work efficiently. Don't worry about the tomorrows. Do what you can do well.
. . . Have your hand out for more responsibility.

Every key executive has to be willing to make sacrifices. A lot of people are smart but won't make sacrifices.⁷³

Another respondent explained his total dedication to the development and manufacture of a new product with a major company that subsequently failed for reasons over which he himself had no control.

⁷³Respondent 15.

In a two-year period working seven days a week, 24 hours a day, I slept in the office and built new divisions, and built and built to make a quality product. However, as we were working on one end of the patient, the other end died.⁷⁴

And another company president gave the following forceful and candid statement of his personal work ethic and determination to compete, achieve, and get the job done.

I am naturally competitive and I don't like to see people with indifference or incompetence arrogating themselves to positions to which they have less entitlement.

After explaining that management was understaffed:

I got here before 7:30 a.m. Three-fourths of this floor was here before I was. I left last night at 7:30 p.m. and I worked until midnight the day before.

Another example of stubborn determination:

I think physical health is important. It turns out, and I don't know why, I can drink one hell of a lot more than a lot of people. I also smoke too much. I take constant physicals. It fractures the doctors about why I don't somehow fall on my ass or my liver doesn't get stuck. I don't work out. That is all part of the success in business. You can work a guy too hard and he is not there next week. But I have got to be there next week. I have got to have determination. There is no substitute.⁷⁵

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To be in a job like this, you can't let other things interfere with that. The company has got to come first. There must be a willingness to sacrifice for the job and for the company and that means total dedication. You can't have your mind on social activities if you are going to run a big company.⁷⁶

⁷⁴Respondent 22.

⁷⁵Respondent 29.

⁷⁶Respondent 21.

I have a deep belief, a religious belief as well, that all of us should be expected to use our talents to the fullest extent. If one has been fortunate to have been given some reasonable talents, you should try to train them as effectively as possible. After you have done your best, you shouldn't worry about things.⁷⁷

⁷⁷Respondent 20.

CHAPTER 13

ETHICS AND SOCIAL RESPONSIBILITY

Without being asked about it, 25 of the 30 interviewees expressed their commitment to a high standard of ethical behavior and social responsibility. They talked about their participation in a broad range of service activities. And they candidly expressed their views about present-day American society and how it might be improved. All seemed concerned about the country's future and the well-being of generations to come.

The only cross-tabulation of data that statistically approached significance near the .05 level was the chi square analysis of data comparing those executives who discussed their ethical commitments and those who also discussed the importance of being a well-rounded executive. If there is a real relationship, it might be inferred that those who advocate the importance of being a well-rounded executive are more apt also to be influenced by the importance of identifying ethical commitments of business.

The executives interviewed indicated that they regarded it as part of their responsibility to serve on the boards of directors of other companies, on hospital boards, and as trustees and advisors of local school districts, colleges, and universities. They were leaders in other organizations as well, ranging from the Boy Scouts to the local philharmonic society.

Several top executives expressed concern that the educational system is not doing the jobs they believe it should be:

Any broad indictment has an immediate exception but society has turned to academia to play a role. The socio-economic system has failed us--radicalism, ultra-liberalism. The schools have a preoccupation with causes and theories. There is no leadership, no motivation. That is, their primary function is scholarship and to teach, not to be a political force, not to take a radical course. They don't view their role as teachers any longer. They have failed society in general. The pressure is on education to re-define what their role is.⁷⁸

Another executive who questioned society's changing values and the role of the educational system had this to say:

I am glad to participate in this. And, any time you want me to tell you what I think is wrong with the educational system, I will be glad to.

I really think that education has to adjust a little more to the needs of society that we live in.

There are prime problems in the teachers' understanding of how people feel and why the criminal is a criminal and why we ignore the victim.

Why are we so much worried of the relatively minor things in college, when we live in a society where we have machines that need fixing and designing? We will not go back to a rural, semi-primitive existence. We are going to go on and obviously life will get better, certainly more meaningful, certainly from the standpoint of people being able to do things that they really want to do. They should do them easier. We should be able to do a great deal to alleviate poverty through the use of technology.

One of the most serious considerations of the present ecology and conservation movement is that we are stopping industrial growth and development. It is really through industrial growth and development that we make job opportunities at the bottom of the pyramid

⁷⁸Respondent 22.

so that people can move out of the lowest areas of society. These are the things that we have in the backs of our minds--to run the business and make a good record and a profitable enterprise. We also think in terms of: Will we contribute to the overall progress of society?⁷⁹

In talking about the role of business in society, some executives were dismayed at the general lack of understanding of the American economic system and, especially, the function of profit.

Sometimes I hear people ask me: Why do we have to make a profit? I really don't understand how people don't understand this. Profit will make expansion, a higher standard of living, more jobs, et cetera.

We have 25,000 people employed in the company. Profit is not a sacrilegious word.⁸⁰

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I am appalled at the low level of economics teaching from the grade school right through the university, and particularly appalled with the business schools. What I am really saying, I think there is a horrible ignorance of how the marketing economy works. And, I am pretty well convinced that the professors either don't know how it works or just don't choose to talk about it. They would rather talk about more idealistic things that they are tainted towards and there is very little talk about the American economy and what makes it tick. Lots of techniques and lots of research procedures of how you measure that without really understanding the total concept. It is a criticism of the entire educational system. A lot of people should understand this who will never be sitting in this chair.

We try to support some of these programs and do you know that it is practically impossible to find a school that you can feel comfortable with that teaches the basic American economic system. And, I will not support those who are the antagonists.⁸¹

⁷⁹Respondent 16.

⁸⁰Respondent 18.

⁸¹Respondent 19.

A chief executive officer whose reputation for long-range planning is well-known among other corporate executives explained that one of the first things he did when he was recruited from outside the company to be the president was to determine the company's business objectives and social and ethical responsibilities.

What we did when I first came here was to ask: What sort of business are we in? What sort of fundamental objectives should we have? What are the ethics of our business? What are the issues on the quality of our products?

We started off by merely saying our corporate purpose is to have a growing profit and a reasonable rate of return. We think that is really the purpose in society today for the American corporation. We said that, however, this stool was still supported by three legs: (1) you had to achieve to find people who were properly motivated and reasonably paid; (2) you had to have good financial support, and (3) a team sense of social responsibility with regard to all those with whom you deal. This is not just your shareholders, not just your community, not just air and water pollution; it is all of the people who are customers, and it is all with whom you deal. When you put this together, this will give you your prime reason for operating.

We put a booklet together which expressed our broad, long-range philosophy. And then, we have worked very hard in developing long-term strategic quality goals and long-term strategic quantity goals.⁸²

The approach to social responsibility through developing written corporate goals and objectives is not limited to the case cited above. Other respondents referred to similar efforts on their part.

One of the interviewees had moved through the company ranks from coal miner, to engineer, to management and ultimately to the position of chief executive officer. During his rise in the company, he commuted once

⁸²Respondent 20.

a week to night school, 90 miles away from his place of work. He did this for years, until he received his college degree. Today, his company is involved in industries and technologies that confront special environmental problems. His own business career has been marked by exceptional achievements. The following are some of his thoughts on the role of technology, problems of economics, government regulations, and education, and the future of society.

I favor the engineers because they deal in ideas and deal in doing things. Nothing happens without having an engineer with a real fertile mind. I lean to this and I abhor the idea of going over increased regulations as to how they can beat them. That, to me, is not really constructive. Yet, if I were a young person today, I would have to recognize that that is where you are going to start off. I think there has to be more emphasis on the regulations in the business schools.

What I am concerned about is not doing the job itself, but the different external things. Of the ten most important things I am worried about today, nine of them were not on the list 15 years ago.

And you think differently today. You are dealing always with the problems of environmental control, pollution of the air and water; and getting through these regulatory bodies is a big part of the job. Now the reason I say that is that I run a big company, as a lot of people do today, and the thing that distresses me are the things that are not being done in the country. The justification any chief executive officer can produce today is that "we would do this but there are regulations here, there are regulations there, we have got to deal with this or that, and the uncertainty of the money market. . ." you can make all kinds of reasons why you shouldn't do anything. It is the easiest thing in the world to do.

The biggest problem for curtailing activities is that costs are going up at the rate of nine percent and at the same time, unemployment is going up. Now, we have gone through all these problems in economics and people say when there are problems of oversupply, prices shouldn't rise. In a classical theory that may be right. But when we are locked in where we had

wage and price controls, now we have contracts that tie the wages in with the cost of living index; wages go up, volume goes down. All we can do is strive to get more efficiency because labor is more of our costs. We have to get by with less labor.

During the period of the 50's and 60's, we went through intensive programs of industrial engineering studies that related the output of the machine and direct labor and that is probably as efficient as we can get. Now we are concentrating on how you reduce the indirect labor. The young people who will become engineers, lawyers, accountants, and economists and want a job in private enterprise will find the opportunity is becoming less and less and less and more demanding.

This is very distressing, at a time when we ought to be expanding and doing more things and creating more. What I am saying is that the answers to these problems that are being presented by the environmentalists lies in additional technology, not in reduced technology.

Question: My last question is: In view of the discussion we have had, do you feel there is some other question I should have asked?

Respondent: I think you start coming very close to the problem when you ask: What is the educational format that you feel you ought to have to handle the job of the chief executive officer.

It might take a little work but ask the businessman what are the most pressing problems today, and he would relate to you the things about energy, environment, consumer problems, the tax initiative that is coming up (in California), all of these problems. And, if you went back to the same man and asked him about the things that concerned him most when he took the job ten years ago, you will find out how much the problems have changed. The educational system has got to change, then. I am not so sure that the educational system has changed as rapidly as it should to condition people for this.

The problem is that people do not understand business. That is one of the problems of the businessman--to try to tell people what it is, how it works. We get branded for all the problems of society.

Everyone wants to be critical, but I am sure people don't want to revert to less. We have to continue to look for the answers in additional technology and I agree that a hell of a lot of basic research has got to go into that.⁸³

The interviewees' comments on ethics and social responsibility reported thus far in this section have focused on corporations generally, their publics and society as a whole.

Words like ethics, integrity, morality, and other normative terms came up most frequently when the respondents spoke of the criteria for the selection of their own successors. The subject of management succession follows later in this report. Here, however, are several comments regarding individual ethics that were made in other connections in the course of the interviews:

You look for integrity. You don't want someone who is going to operate without morality or with immoral standards.⁸⁴

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Character and integrity are extremely important. In a very tough, competitive environment with a lot of pressure to produce a good return on investment, the opportunities to bend the rules whether in the financial end or not, is something you've got to watch. There is pressure to do that today. We read a lot about the issue of bribery overseas. Where is the line?

Question: What is the difference between that and a consulting fee?

Respondent: Precisely. These are ethical questions. There is pressure on the legal front. I would look for someone who can be objective, can be honest and recognize the need to play it straight.⁸⁵

⁸³Respondent 7.

⁸⁴Respondent 27.

⁸⁵Respondent 5.

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To me, schools should train people in attitudes. Shape their philosophies toward everything--toward business, toward ethics, morals, and other topics.⁸⁶

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Integrity is number one. He (chief executive officer) has got to have it and let people know that he has it. This involves many things: consistency of action, providing security, a climate to grow and make mistakes. This all gets involved with integrity. Build up the confidence that other people have in him. To many, this is one thing wrong with business today.⁸⁷

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People representing the organization should be of high moral character.⁸⁸

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In our decentralized way of operating, a decision in Nashville makes an important impact on our image. It is very important to everybody. He (the manager) must be a good citizen. Each manager is on his own and you (as chief executive officer) are taking a risk in a highly decentralized organization.⁸⁹

⁸⁶Respondent 22.

⁸⁷Respondent 9.

⁸⁸Respondent 30.

⁸⁹Respondent 18.

SECTION III

EXECUTIVES' RECOMMENDATIONS

CHAPTER 14

SUGGESTIONS FOR COLLEGE PROGRAMS

In response to the interview question concerning what type of undergraduate education they would recommend to young people planning to embark on a career leading to top management positions, more than half the respondents advised some kind of general or liberal arts program. A summary of 44 multiple responses of the 30 respondents is shown in Table 15 below:

TABLE 15

SUMMARY OF EDUCATIONAL ADVICE

<u>Advice Offered</u>	<u>Absolute Frequency</u>	<u>Relative Frequency (Percent)</u>
General (Liberal Arts)	17	39
Good school	3	7
Major in anything	7	16
Science	3	7
MBA	9	20
Other	5	11
TOTAL	<u>44</u>	<u>100</u>

In the views of the respondents as a whole, there was clearly no one ideal program for all would-be executives. Most of the inter-

viewees, moreover, were careful to qualify their recommendations with the proviso that the key considerations were the interests and situation of the particular individual.

Counseling

Twenty-nine of the 30 senior executives indicated that they had in fact advised young men and women⁹⁰ as to career and educational choices. And all emphasized the importance of understanding and inspecting the individual young person's inclinations, aspirations, and stage of personal development. Here are some of the typical statements on the matter:

I do talk to a lot of young people at 18. At that age, most have not made up their minds about what they really want to do. When they are in that position, it is pretty nice for them to get those general courses so that they have some idea of what the world has to offer. They have to find primarily the thing that they like.

The thing that I tell them all is: Don't just say you want to become president of General Electric or a stockbroker because that's where you make the money. That is a sure road to ruin. You had better find out what you like. Somehow or other, if you are good enough and if you persist, the rewards will come. It doesn't have to be some star that you have glanced at recently. There are many, many opportunities.

You may not become a millionaire, but you may not either if you decide to become president of General Motors. My key theme is that whatever you get engrossed in, you like. If you don't like it, it is an uphill battle all the way.⁹⁰

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Too many people say: "I am here now. What am I going to do now? What school should I go to now?" It is largely immaterial as to where to go.

⁹⁰Respondent 19.

One of my sons is majoring in girls. One is a pre-med major.

Your base should be liberal arts, possibly. I think certain courses should be taken.

Taste of everything on the table and then based upon the test, you express your interest. Before you have, to decide is a vicarious way of doing it. You will never taste it all then. You will have missed opportunities. It is no great thing if at 18 you don't decide. I don't recommend deciding until the middle 30's. I still don't know what I want to do with the rest of my life. It didn't bother my career for having delayed from what I was going to do.⁹¹

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The first thing I ask is: Is it their idea or their dad's? I try to probe as to what their interests are. What turned them on? What would be satisfying to them? Probe pretty strongly on that. I believe in that (questioning) a good deal.

If a person were interested in a business career, then I would try to talk about the types of functions and try to get a feeling again to validate if the person really has an idea or they are just groping. Try and relate to what their interests might be. If there are none that are identifiable, then have them talk to some professionals in counseling and maybe do some testing and try to find out where their skills and interests might be.⁹²

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You have to know the person. If one goes back to fundamentals, probably the objective in life should be self-fulfillment, meaning the best potential use of one's talents. You have to be honest about yourself as to what the talents are that can be nurtured through education and finally lead into various types of activities.

⁹¹Respondent 15.

⁹²Respondent 10.

It is a difficult spot to be placed in. I have done this on a number of occasions. First you try and spend enough time with the person to understand in some way their personality. For example, I might ask questions in relation to sports. It gives you an insight as to whether they like team sports or individual sports. It relaxes them. It gives insight as to would they be happy in a big company. You find their value system. And, therefore, you cannot really generalize.

You see certain ways his mind works. Look for logical patterns or lack of interest in things commercial. If you begin to explore, you find many things. Business is many things and vastly challenging. People can reach professional excellence in business. Our general counsel is a vice president; and she is a fine lawyer, but she is in business.

One first has to know the individual and also know enough about business to recognize that it is multi-faceted. You would try to tailor the remarks to the individual. You might end up in trying to tailor a program with more liberal arts if you ultimately see a salesperson. But you might see a lawyer. It does unfold as you get more exposure. You tend to grow yourself. And sometimes, something that has not been easily perceived as a talent becomes a greater talent.⁹³

* * * * *

I enjoy doing this. I think for the most part they have been very eager and bright-eyed outsiders and they are interested in knowing about the people in business. I enjoy talking to them. I get them to understand that we don't all wear horns and we are not all out to gouge the public and consumers. I have urged many of them by saying: "Look, if you don't like the system, get in there and change it. I'm not going to be here forever; I'm wearing out." We are looking for young people.⁹⁴

⁹³Respondent 20.

⁹⁴Respondent 9.

Undergraduate Education

As there is no uniformly accepted and precise definition of "liberal arts" and "general education," among educators, so there was none among the interviewees. Generally, however, they appeared to understand these terms to represent all studies that were not scientific, technical or narrowly professional.

Cross-tabulation of the educational backgrounds of the executives interviewed compared with their recommendations as to a liberal arts education versus technical preparation was not significant. As a group, the respondents favored a liberal arts orientation for those considering careers as executives.

Respondents from scientific or technically oriented companies suggested that if someone were interested in an industry with a specialized technology, it would be advisable to major in engineering or science as an undergraduate and add an MBA degree later.

Question: What should he major in in college?

Respondent: That would depend on a young man. If he has a really scientific bent, I recommend that he go in the scientific line and then decide where his focus is or should be.

If he makes application into industry and as such will be dealing with people or supervising people, he must broaden himself. If he is interested in research, stay right there and get the missile to the moon and go on to advanced scientific courses. Broadening himself means getting himself into a business school.

I don't care if the next president of this company comes from a good technology background or an accounting background or labor relations or what. We don't think that is important. I think he should have something solid. He either ought to know (our technology) or finance, accounting, marketing or sales.

Then, he gets the expertise and then he gets the broad business background. I feel strongly about this. Find your place in the company and then get broadened.⁹⁵

Another senior executive of a high technology company made essentially the same point:

First I would determine if they have or do not have skills in the science and math areas. If they (skills) are good, then that area offers plenty of opportunities. I would recommend a combination of basic engineering and business training for manufacturing operations. A degree in only one area is not so good.

If they show no particular ability to handle science--straighter business kind of background, such as retailing, banking, et cetera. In our field, in the whole broad range of manufacturing, if you have a technical background, it is a big help.⁹⁶

When the respondents discussed liberal arts programs, their emphasis was on the broadening aspect of education. They nevertheless frequently suggested specific courses they believed should be included, regardless of the particular college major.

Question: What might you recommend if they weren't interested in high technology?

Respondent: I would recommend a good liberal arts background. Select a program which includes enough electives to fill in with finance and economics and take some real meaty courses in math and physics. A lot of liberal arts students avoid science like a plague. At least take the elementary courses in science, physics, and math.

Question: What does it buy you?

⁹⁵Respondent 9.

⁹⁶Respondent 30.

Respondent: An understanding of the civilization in which you live. The role of technology, an understanding of the technology is important to understanding the liberal arts.⁹⁷

The views about education of an executive who has been out of school for 30 years are bound to be different from those held when he was a student. The introspective observations of one of the senior executives interviewed shows the effects of time and maturity on the way a person thinks about the planning of an undergraduate education program.

As a technical person, I think I was not prepared to take the social sciences. The purposes for taking them were not very well understood at the time, and they were a chore and a bore rather than something that ought to be broadening.

I think that most students who were oriented into the math-science program were ill-at-ease in the history and other social science courses. I think it is in the people-area of interest that was difficult. But, I would hope that there would be a challenge to meld it all together and make it into something more meaningful because I feel that I have a real vacuum in history and other social sciences.

There should be more liberal arts, even in a technical area. But, you do run out of time. A technical program is very time-consuming. Maybe there is a program of liberal arts for technical students.

When an engineer goes into a history class and competes with a history major, he isn't going to have a very satisfying experience. What you do about it, I really don't know. I found I was poor competition and, likewise, if they should come into a math class, they would be ill-at-ease. They were not forced to take math, but I was forced to take social science.⁹⁸

Several of the respondents actively participate on advisory councils to various business schools and are aware of what is currently available compared with the curricula offered 20 and 30 years ago.

⁹⁷Respondent 12.

⁹⁸Respondent 6.

There is a pretty good package today. I think it needs to be pushed around a little bit. But, there is a basic core program that I think is a good program. And the efforts that I see in some of these schools is great, at Cal and Stanford. The thing that I see is that they are more and more allowing students to take a broader approach. I am very supportive of this combined degree program as a concept, such as an MBA and economics major. I think that is great. A better package is available today. There is also better counseling and, of course, there had been none.⁹⁹

⁹⁹ Respondent 10.

CHAPTER 15

SEQUENCE OF EDUCATION AND WORK EXPERIENCE

Education and Work Sequence

Respondents were asked if they advocated taking a break in the formal education process or if young people should go straight through. Table 16 shows that the 28 replies of 30 respondents were approximately evenly divided on the issue.

TABLE 16

EDUCATION AND WORK EXPERIENCE SEQUENCE

<u>Attitude</u>	<u>Absolute Frequency</u>	<u>Relative Frequency (Percent)</u>
No break in education	12	43
Take a break	14	50
Take a break, if technical	2	7
TOTAL	<u>28</u>	<u>100</u>

Most of those who recommended taking a break in the formal education process believed that it should occur after college and before graduate school and that its primary purpose should be to get work experience. Even some of the respondents who felt a break was generally not advisable qualified their answers in regard to young persons who might need more maturity before continuing on to graduate school. In the view of

several of the executives interviewed, the lessons to be learned from work experiences were absolutely essential. These respondents expressed strongly negative attitudes toward inexperienced MBA graduates who aspired to move directly into the executive suite. (See footnote 53.)

Start out in the engine room, in the bowels of the ship. So many of today's people want to start out in the executive suite. They want to meet all the important people. They get the cart before the horse. Start out learning something about the grunt work. Get out there in the shop and get your fingers greasy. Get on the bloody production line. Learn how to do something useful so that you are not a burden to society. If you have anything on the ball, you will pop up like a cork. This should be coupled with an enlightened development program. Pick the right kind of company. Build credentials that no one can ever take away from you. Build on a solid foundation. Don't be concerned about getting to a salary level with no place to go. Some get themselves at a salary where there is no foundation. Without developing a background, it ends up in frustration.

Ninety percent of the students in graduate school would be better off working.

Too many young people think that if they get themselves highly educated at the beginning, they will start off at a higher salary. Graduate school should come after experience. Mature people should go to school. You cannot put an old head on young shoulders.¹⁰⁰

Another executive who made the same point went on to emphasize that even with a graduate degree, a quick road to the top is by no means assured. As was the case with the previously quoted respondent, this man spoke from personal experience; he himself had earned his formal education while working his way through many phases of the industry to the top of the organization hierarchy.

¹⁰⁰Respondent 22.

Most of the people today that have gone to business school come out with the idea of how they are going to jockey their way up the organization path and once they get there, they are looking for a quick road to the top. And a lot of them make it that way. But, on the other hand, we used to hire a hell of a lot of Harvard Business Administration graduates. I don't know of any of them that stayed in the company. We hired a lot of them.

They all wanted to come in as assistant to the vice president, then become vice president. The problem is they didn't know what they missed below that level. And, of course, to me, the important thing is that you ought to be able to get the broad training if you want to be up there and lead.

I worked in a coal mine; I was a (union) card carrier, and it was interesting to me to see how they (miners) think. It helped me out a lot in subsequent labor relations problems. I knew some of the guys, and I knew when we were treading on some pretty sharp rules that they weren't about to give in on.

I really feel this is missing and part of the reason that it is is that those who have gone through the Stanford Business School or Harvard don't want any part of this. They feel that they have arrived. They have made it.

You haven't really arrived until you look at yourself and say: "I enjoy the job. I don't care what it is." You have to be able to develop an interest in the work and with the people you are dealing with.¹⁰¹

Some of the interviewees emphasized the value of a break in the formal education process as a means of learning what one doesn't want to do and of providing time for growing up.

A break between high school and college does them no good if they have no capabilities of doing anything, unless you want them to do like my son did. He went to work one summer in a cannery and after that he stated that he knew the value of a college education.

¹⁰¹Respondent 7.

The Army did it for a lot of people. There is some value of a break between college and graduate school and I know, over at the business school at Berkeley, they say their better students are those who have had a break because they have better direction and a little bit of experience which helps them in their graduate work.¹⁰²

* * * * *

If it had not been for World War II, after a Bachelor's degree, while it did take four years out of my life (the war), I would not be here today (president of the company). I needed the break. Getting out into the real world was important. I saw the technology in the service. I matured. If I had left college and gone out and accepted a job and gotten the promotions in the first company to offer me a job, I would not have had the broader experience and opportunities.

We were glad when the war was over and we had a chance to start over. I started over at graduate school. I would not have made it without the maturing process this break provided.¹⁰³

Another respondent indicated a special understanding of these considerations as a result of his experiences with his own children:

It depends on the individual. I think for many, a great part of it depends on their degree of maturity. I think that some people need to go all the way through and some need to go to work for a while to sort things out.

I know the business schools favor people who have experience in work situations.

One of my sons is a very mature young fellow and I think it would have been almost improper for him to have gone to work and then again back to school. One of our sons went right through, including graduate school. The other went to work after earning his bachelor's degree. We didn't say a word about it. He

¹⁰²Respondent 11.

¹⁰³Respondent 12.

had to find out for himself at a considerable amount of effort. He earned the money himself. He was married. His wife worked and helped put him through. They did it all themselves. If it had been handed to him on a silver platter, it would have been a bust. It was his effort and his money and his wife's effort.¹⁰⁴

Several of the interviewees with legal backgrounds favored not taking a break. They did, however, recognize that each case should be evaluated on its own merits. As one respondent put it:

It depends a great deal on the maturity of the individual. If he is able to do it, the sooner the better. The delays that some people have for growing purposes or even for the military services doesn't help unless one needs the time to mature enough to succeed in the educational process.

Question: In your case, did you go straight through?

Respondent: I went to law school 12 months a year and no military service. As a result, I had three or four years experience by the time many of my college classmates were out of the military, trips to Europe, and through either business school or law school. I think that the head start helps.¹⁰⁵

One interviewee, also drawing on his own and his children's experiences, went so far as to recommend that a break be taken during the undergraduate program.

After high school and two years of college, take a year or so off. Do a third year overseas. Forget about what you learn or what will be credited to your record.

One of my sons took his third year in London with Stanford. He studied Dickens and the history of the Common Market. He commuted to London from a beautiful mansion in the countryside where all the students lived.

¹⁰⁴Respondent 6.

¹⁰⁵Respondent 28.

None of these things will have any bearing on what he will do. For that year of his being in Europe, no college credit is necessary; however, he grew up.

I never traveled in my own early life, not by choice. I did travel in the service, though.

To respond directly to your question: certainly don't put four years of this and another two or three years right in a row, and then three months off in the summer. The whole philosophy of education is not right. Take a year off. Work.

Regardless of what they do, it is important that my sons have some kind of experience out in the real world--getting away from the classroom.

I taught at Stanford. Most of the professors are doing it strictly from their background. I could spend an hour talking about the questions in the case book that weren't asked.¹⁰⁶

Another executive, about to face the same question with his own children, was inclined to take the opposite position:

I have thought about the break because my own children are about ready for college. I don't think the break is good. If they want to tour Europe, I don't know. I just think that it is a cop-out.

I would think that a program where they could go to school, and where they could take a semester to work in business and maybe do that three years out of four would be invaluable for them to see some practical application of how you make some things happen.

I would recommend that they do it in a very small business rather than go to work for (a large company) and work in their accounting department. It would be good if we could convince some small businesses to accept some people like that. There are probably some guys who are pretty smart today who are running their small family businesses or \$20 million businesses who can see things happen so fast. You get feedback to your decisions very quickly. Sometimes, in a very

¹⁰⁶Respondent 18.

large corporation, you might have to wait four or five years to see whether that feedback will tell you if you made the right decision.

Question: You wouldn't recommend a break in the formal education process unless it were where you could get some work experience to get the whole picture? You wouldn't do it for the travel?

Respondent: I am assuming that the person you are giving the advice to really has their feet well planted on the ground and that they know what they want to do and they want to get on with it. If they want to go skiing for a year, that is outside the educational process.¹⁰⁷

In summary, while the respondents acknowledged the considerations involved, there was no consensus on whether a break in the formal educational sequence was advisable or not. All, however, appeared to agree that the answer should depend on the particular young person's maturity and other individual circumstances.

¹⁰⁷Respondent 13.

CHAPTER 16

CRITERIA FOR EXECUTIVE SELECTION

As another avenue for assessing their views of the significance of formal educational preparation in their success as executives, the interviewees were asked to discuss the criteria they would employ for the selection of their own replacement. As their replies indicated, about half the respondents' organizations had given the matter of management succession a good deal of thought. In at least 10 cases, detailed policies and procedures had been developed regarding succession to top management positions. See Table 17.

TABLE 17

RESPONSES TO THE QUESTION REGARDING A PLAN FOR EXECUTIVE SUCCESSION

<u>Category</u>	<u>Absolute Frequency</u>	<u>Relative Frequency</u> (Percent of 30)	<u>Adjusted Frequency</u> (Percent of 22)
No plan	8	27	36
General idea	4	13	18
Detailed plan	10	33	46
No response	8	27	--
TOTAL	<u>30</u>	<u>100</u>	<u>100</u>

Several of the executives interviewed indicated acute personal concern for the problem of management succession, pointing out how they

themselves had been thrust into the corporate presidency and had unexpectedly faced awesome responsibilities.

Question: Let's assume you were looking toward an early retirement and had the responsibility of hunting for your own replacement. What kind of a person would you look for to handle the position?

Respondent: He already works here. I hired him for that purpose. I was keenly conscious of mortality when I took this job because my predecessor died at his desk. He was conscious of it, too. That is why he hired me.

We were organizationally thin and short-handed and our reserves of people were used up, so we had to hire another one as soon as possible. I hired a person like myself from the same source, _____'s Law Department. He was our financial vice president and general counsel. Essentially, it was the same job I had and I don't think he is quite ready to do it now, but in another year or two, he should be able to do the job as well as I can. It is not very imaginative; it puts one lawyer in here right after another one.¹⁰⁸

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I am sitting in this job because of a disastrous occurrence. I was the most obvious candidate after _____'s death. I had worked with him 18 hours a day for some time. I would have much preferred to stay where I was in the operational aspects. Deal-making gets boring.

I would not look to another company for a replacement. I would do the best I could to see if there is a person in this company.

My game plan is not to die with my boots on. I want to do something other than chasing after a grubby buck. I would like to do some foundation work, minority involvement, educational, or go into business with my kids.¹⁰⁹

¹⁰⁸Respondent 28.

¹⁰⁹Respondent 18.

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I doubt that I'd retire early. I've been with one wife 30 years. She knows me very well. She knows I have to be challenged, and she would not want me around the house all day. I would drive her nuts. You've heard the expression: She married me for better or for worse, but not for lunch.

However, we should protect the company. I could get shot by a jealous husband and the company would be left in the lurch. I have attempted to properly provide for a new person. This has happened to us in other cases, and we had someone to fill the new spot.

The board knows that if I were hit by a truck tomorrow, there is a man we could turn to. He has never had any such verbal commitment, and I'd never make it to him. It would be deadly to tell him, to make a promise about any future job. I'm training him and he knows it.¹¹⁰

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Every good executive knows where his replacement is or a potential candidate for it. That is our system. We advocate a management development program to which we look all up and down.¹¹¹

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I am in that position now where I have got nine years to go. I have an inventory of people, and I have got a number one and a number two and I think number two is going to be here eventually. This is because I think he'll have the benefit of the nine years to develop, if I don't get hit by a streetcar. Number one is plateaued but right now he has more experience. Maybe five years from now, number one and number two will look differently. They might not be there. But that, to me, is an ongoing thing. I shouldn't wait until one or two years before my retirement to look for my successor. I have a responsibility whether I am 38 or 42 or 63 to have a plan available to the board with my ideas to perpetuate a chief executive officer.¹¹²

¹¹⁰Respondent 22.

¹¹¹Respondent 15.

¹¹²Respondent 9.

The following is the comment of a chief executive officer who himself was recruited from outside the company. Yet, he too, is concerned about management's responsibility to develop a succession of leaders from within the organization:

Hopefully, one wouldn't have to chair a committee to go out and look for a person. Fundamentally, that should be developed from within. Our board realizes, should I drop dead tomorrow (I don't want to retire tomorrow), we have a man who I feel is qualified right now to take my place. We did not have that person a while ago. He was with the company, but he didn't have the breadth of experience that he has had for the last five years.

We have three additional people that I feel over time have very real possibilities of being chief executives.

What you try to do is build a group around you that complements you. . . One will not find the individual that you think maybe has everything, so what you try to do is bring along someone to complement you.¹¹³

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It is essential to have someone from within the organization. Normally, the first alternative is to look from within. It takes ability to recognize what you have.¹¹⁴

Finding the best candidates for senior executive positions is an important problem for all top management, whether the particular organization has a formalized succession plan or not. In discussing the matter, the interviewees focused on three principal considerations:

¹¹³Respondent 20.

¹¹⁴Respondent 15.

the importance of guarding against their own personal biases in the selection of a successor; the circumstances and needs of the organization at the time, and the qualifications of the available candidates.

The following are some of the respondents' comments regarding avoidance of personal biases and taking into consideration the organization's situation in the selection of a successor to the position of chief executive officer. The respondents' views as to desirable and necessary qualifications for this position are discussed later in this chapter.

I have the same problem with that question as all chief executive officers do; that is, the fatuous and incorrect assumption that there is no one who so uniquely embraces all of the competences that I have. Given that, I think that corporations now are of the size way beyond what business minds have been trained to manage. I don't give a good damn what anyone says, (a major oil company) and big banks are beyond the comprehension of the management. Then you go to some kind of esoteric form, all kinds of committees operating, and then you are in a different ball game. You don't know what is going on all the way down (the organization). You think you know. You think you have alert systems. Or management by exception and the computer makes it possible to do, but it may not be right. Who the hell knows if he does it right today? You can't manage with a single individual. So, my answer would be that you need whatever you happen to need at that point in time; and every point in time is different. The guy who is right to the time when I leave here, and I don't know when that is yet, could be wrong for another time. You might need a guy who is an accounting-type. You might need someone who is management consultant oriented, or you might need a great political figure.¹¹⁵

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¹¹⁵Respondent 29.

We don't have a line of succession. It depends a lot on the state of the organization and the need created by the absence of a particular person.

In some organizations you have a real rebuilding job to be done, and it is pretty hard for someone completely disassociated from the industry to come in and do that job, too. Without the team underneath him, it would be very difficult.

I can give you another example. Many times we move a person into a functional area that is strange to him, and you move him in at the top of it. It may not be at the top of the company, but it is at the top of an area. We feel pretty comfortable with that kind of a move as long as he is a quick learner and has demonstrated some basic talents and there is a team below that is solid and can keep him from making the kinds of mistakes that he would be free to make.¹¹⁶

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My natural reaction would be that he has to be the kind of guy that fits the same kind of mold that I perceive I am, the same qualities.

I think that number one, I would put somebody in who had experience in this industry. That is sort of like saying: I'm aboard and pull up the ladder; because I didn't have any experience when I came here. . .

Since coming into the presidency, I have brought some people in here who had experience in this industry and of our business. I think it was essential. You can introduce only a certain amount of change through an organization.¹¹⁷

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You have to pick the person who is best equipped at this particular point in time in the social and political climate that we are operating in. And, considering the affairs of the company at a particular

¹¹⁶Respondent 19.

¹¹⁷Respondent 13.

time, who will do the best job. The description of that individual varies from time to time. Sometimes the whole project may be expansion. You get someone who can look ahead and plan for this. At other times, you may be in hard times, and you need a financial man who will clamp down and hold on to everything.

I have looked back over the presidents this company has had over the last 35 to 40 years, and I have found that each one had a particular talent that he brought at that time when it was needed.

So, I think that the job is to assess what the most important problem is going to be for the next few years and whether what we are doing is going to be socially acceptable. In other words, are we in an honorable and respectable business or are there changes we will have to make with our public attitudes? What are our relationships with the government? What are the internal problems of the company? I think that I have to find the guy or guys who are best in those situations. These people should have a complete knowledge of the company, how it operates, where it operates.

Question: You would look for a candidate within the company?

Respondent: Certainly. We would have to be pretty disillusioned in the crop of people that we have around here before we went outside for a chief executive.¹¹⁸

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I guess, in part, you have to see what the world looks like. If it is essentially what it is today, I would look for someone from within the company who has grown up with us and understands the company with its peculiarities and understands the interfaces in the competition on a world-wide basis.

In this company, which is complex, many bright people have come in and flopped. I look from within for people who have risen to the surface and have brought understanding.

¹¹⁸Respondent 16.

A technical background is what it would probably involve. I didn't used to feel this way. True, a good business manager can get himself a technical man and can run a major division. One of our good financial managers is doing this. However, there is a danger of too much dependence upon the senior engineer. I lean toward people who have technical exposure and have grown with the company. If we wait for ten years, that may not be the story then.¹¹⁹

Discussed now is the respondents' views as to the qualifications required of individuals who are to be selected for the responsibilities of chief executive officer. As could be expected, these included a great many factors, among them the individual's educational preparation. Educational background was considered by the interviewees (and is so treated in this study) in the total context of desired capabilities and with particular relationship to the person's track record and promise of future performance.

Table 18 lists the 66 multiple responses of the 30 respondents regarding what they consider to be the most important criteria in the evaluation of candidates for high level management positions. (It should be noted that data in this chapter when cross-tabulated with all other previously discussed data yield no statistically significant correlation.)

¹¹⁹Respondent 5.

TABLE 18

CRITERIA FOR EVALUATING CANDIDATES
FOR HIGH-LEVEL MANAGEMENT POSITIONS

<u>Category</u>	<u>Absolute Frequency</u>	<u>Relative Frequency (Percent)</u>
Related experience	15	23
In-house candidate	7	11
People-oriented	12	18
Leadership	3	4
Integrity	5	8
Well-rounded executive	6	9
Young	5	8
Other	<u>13</u>	<u>19</u>
TOTAL	<u>66</u>	<u>100</u>

In reviewing these responses, it is interesting to note that, while a person's particular educational background may be important in gaining entry to lower-level positions, it clearly is not considered significant in the evaluation of candidates for top management. The most consequential factors in this regard would appear to be successful prior experience and a strong people-oriented attitude.

Certainly, other factors were also discussed. These are listed in Table 18. Yet to indicate the interdependence of these various qualifications, it is necessary to go to the words of the respondents themselves. As the following excerpts from the interviews show, the formulation and application of criteria for selection to top management positions are clearly very complex and subtle matters:

Educational preparation is unimportant at that stage. I think the kind of person that you find generally has the top educational qualities. I think education gets you into that position. By the time you have developed, you have gone through phases. The odds of getting to that position are higher if you have an educational background.

There are some in this organization who have only a high school education and can run rings around those who have much more educationally. It is getting harder to do, though. They learn enough of what you have to know that they can rise to the top without the formal education. There are some personal aspects that handicap you a bit socially. However, a person gets polished by other means.

Once he has built a track record, it overshadows. The emphasis would be more in the actual person and the experience rather than the package of credentials. It so happens that all top officers here do have good formal educational backgrounds.¹²⁰

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First off, I would look for successful management experience in line responsibility. You have got to have that. We would be looking (chief executive officer) at an age bracket of 45 to 55. You surely don't want to move a man in that wouldn't have a ten-year opportunity ahead of himself. We would prefer to take him from one of our own career managers. One of the requirements of our managers is his potential promotability to chief executive officer. We feel strongly that it is a desirable thing to do. I guess the next thing is: What kind of person is he? What kind of social responsibility has he demonstrated? What is his family situation? Those types of things.

At that age it really isn't very important about his academic background. You look at academic credentials but they are not decision factors. You have to relate it to what was customary at the time he went to school. If you take someone who is 55, what were the backgrounds of the better people coming out of school at that time? You would be interested more in

¹²⁰Respondent 26.

his extra-curricular activities than what he did academically because, whatever he did, his successful business career overshadows a lack of outstandingness in the academic area.¹²¹

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. . . and he must be a family man. I will not project a bachelor; he must have a soul, a whole man. He must have a proper reputation inside and outside the company. He wants to be the kind of person with the appropriate humility so that when he gets in trouble, he doesn't bull it ahead or not ask. . . It would be these qualities on top of their being qualified. . . Timing and luck is why half the guys are here.¹²²

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I wouldn't worry about his education in this job (chief executive officer) at all.

Question: How about the kind of individual?

Respondent: His track record. Then you start to get into the value system of the individual. The value system of the company as it is and as you might like to have it. And this varies tremendously among companies. Some companies, such as ours, are pretty much long-run oriented--just the nature of our business . . . everything we have is dedicated to, more or less, the ability of long-range planning and thinking. A guy who came in from the electronics industry would find this a foreign world. To try to transmute this company with a parallel to the way they try to run an electronics industry would give me a little cause for hesitation in selecting that kind of an individual.

That is just a part of it. The value systems also go beyond that. The kind of people, the way in which we operate becomes a lore in the company. It doesn't mean it is good or bad, but it is a habit, a practice. We are known as a pretty stable, reliable employer who treats their people decently. I can name a couple of companies that might not have that reputation.

¹²¹Respondent 10.

¹²²Respondent 29.

. . . the comment I would like to make, and I think it is true of most of the companies here (referring to the list of respondents): There isn't really any secret; there isn't any shortcut or any magic road. It is just one helluva lot of hard work involved and I don't know how we are going to get it across to people looking for that magic button to push. Those whom I depend upon certainly are not demonstrating results in glib tongues and buzz words.¹²³

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Question: Should he have a legal background? (The respondent, a chief executive officer, is a lawyer.)

Respondent: No, it doesn't make any difference, as long as he doesn't feel he knows it all. He could have followed the chemistry ladder, or his specialty may be biology and he knows how ostriches have babies. It is the crustacean bed approach. Guys who say that there is only one way. . . one kind of education, or that you have to be of a Norwegian Baptist background, etc., etc.--HOGWASH!!¹²⁴

* * * * *

I would look for a guy who is in his early 40's, a fellow who has stripes on his sleeve; someone who has experience in running a successful operation; someone who has had enough time to have lived with all the problems. He should be people-sensitive, a good judge of people, able to get along, sensitive to situations, have the ability to think things through and be able to separate the wheat from the chaff. That's probably what I would look for.

Question: Any other educational qualifications?

Respondent: He should have had at least four years of college. An MBA is not necessarily mandatory. Educationally, he should be a generalist.¹²⁵

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¹²³Respondent 19.

¹²⁴Respondent 15.

¹²⁵Respondent 25.

It is a hard question. There is no pat answer. Experience in our particular business is not necessary. To use a trite phrase--a well-rounded executive. He must have a good financial background. He should have a reasonable understanding of the important functions of the business, and he should know where he has to strengthen his own abilities.

It would be a person who relates well with people because we are a people-problems organization. A martinet attitude would filter all the way down the line through the organization.

It should be someone who convinces me he has the big picture of responsibility. He has enough experience, even in a specialized field, to prove his executive capabilities. He understands the need for permeating the organization with this feeling.

Question: What in the educational background produces this?

Respondent: Perhaps course work is superfluous. I'd be looking for someone who is well above average intelligence, it is true. But education tells only a little bit. It doesn't tell that much from the courses. It may or may not tell you about his motivation.¹²⁶

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One of the responsibilities of management, at the very outset, is to provide for a succession in management. There is no greater requirement than to surround yourself with the most capable people that you have available to you. From this you select, in my judgment, two or three alternatives that will meet the situation as you continue down the road. The type of person, in fact, the type of people I have surrounded myself with are really diverse. They are people that have the basic requirement of a strong background in finance and accounting. They have strong capability in the administrative field, handling people, giving direction, people who have a good awareness of the overall scope of the business.

¹²⁶Respondent 17.

The business we are in is 30 to 35 percent international. The person who will be in line for top management has been at a high level of management and has the scope and understands our priorities and our strategy. We have five group vice presidents--young, very dynamic people to head up these profit centers.

I am a strong believer in promoting from within. Management development is the prime responsibility of management. This person must know what our goals are, what we are doing, give guidance and direction to people, have an esprit de corps and enthusiasm for the task at hand.

. . . taking on a general assignment and producing in a commendable way will do more for you, in both your own personal development and your opportunities, than anything I know.¹²⁷

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Question: What about educational background? How important is it? Is it a prerequisite for the presidency?

Respondent: I guess I would always look to see if he is a college graduate and has a college degree. I place a lot of importance on it. He was motivated to do it and that tells me a lot about the man. The absence of the degrees would not be a complete barrier. But, I would have to see other attributes to overcome his not having that college degree.

The content is not so important as the degree itself. A person could have an MBA in finance or personnel, or what not. If he has made that grade, it seems to me it tells me a lot about him.¹²⁸

The same respectful but qualified view concerning the significance of formal educational background as a qualification for top executive leadership was expressed by another chief executive officer, a man who himself had earned three academic degrees--in engineering, law, and finance:

¹²⁷Respondent 4.

¹²⁸Respondent 23.

Question: Do you look primarily for a certain kind of experience or educational background?

Respondent: I probably wouldn't even know the educational background of many of our senior people. I think it is probably very important but they may have obtained their education in many ways, formally or not.

When we look for a senior person, as we did this past summer, we could use their biography. However, when you have worked with people 20 years, or as I have in this case for 4 1/2 years, you begin to know a good deal about them: their ethics, intelligence, the way they approach problems, their stamina, competitiveness, and business acumen. One tends to put this totally together in value judgments relative to a whole stack of things.

When we find that a person may be weak in some area, we try to get him to brush up or get more exposure making sure that he is bolstered by a very fine person. Just as I learned a lot from the people I worked for, I learn a lot from people who work for me, too. If by judiciously putting a person in juxtaposition with the training he is lacking, he gets exposed. He will tend, then, to bring the people he relied on along. It is human nature. A lot of people in organizations don't realize this. It is not cronyism or favoritism. Life is too short and you have learned to appreciate his excellence and his weak points, and you know the art of management is to help the comers in your organization get exposed to other people. In time, through admixturing, they make strengths in the whole company.¹²⁹

¹²⁹ Respondent 20.

P A R T T H R E E

• CONCLUSION

CHAPTER 17

SUMMARY

Introduction

The purpose of this study has been to examine and analyze the views of senior executives as to the role and significance of formal educational experiences in the development of top-level business managers. Formal educational experiences have been construed to include college, graduate and professional schooling, and various types of what is commonly called continuing education. Which of their own educational experiences do senior level executives consider to have been most valuable in preparing them for top management responsibilities? What type of educational preparation would they recommend to young people who aspire to senior executive positions? And what weight would they attach to educational background in the selection of their successor?

Most of the 30 senior executives interviewed were affiliated with large corporations. In responding to the interview questions, they not only replied to the questions themselves but spoke candidly of their own educational and professional experiences as well as their relationships with their colleagues and of the workings of their companies and the larger society. The study, therefore, makes available the interviewees' thinking about the significance of education in the development of senior executives. It places the educational factor in what the re-

spondents believe to be its pertinent human, organizational, and societal contexts and at the same time reveals a good deal about the type of people who today participate in the leadership of American business.

Methodology

The basic methodology of the study has been to conduct personal interviews with a sample of 30 senior corporate executives. The interview technique seemed preferable to the use of questionnaires for several reasons. A personal interview ensures that the intended respondent is actually the one who replies. Open-ended questioning in a personal interview offers more opportunity for the in-depth probing of attitudes and for the clarification of value terms. It is also likely to elicit more data from respondents, as well as a wider range of information, insights and perspectives, than can be garnered through a written questionnaire.

The judgment sample selection began with a roster of California's top 100 companies. From among these, 30 senior executives were selected, representing 29 companies located in the San Francisco Bay area. The respondents were chosen by virtue of their positions as key executives in the companies selected.

Top executives of American corporations have historically tended to be Caucasian males. Reflecting this fact, the interview sample was drawn from this group and did not include female executives or individuals from ethnic minority backgrounds. As more women and minorities come to hold top executive positions, they, too, should be similarly studied to discover if the results would be the same.

The 30 executives interviewed included 26 corporate presidents, 2 chairmen of boards of directors, 1 vice chairman, and a senior vice president. Transcripts were made of all interviews. Interview sessions ran for approximately one hour. An interview guide was used so as to ensure that the same subject areas would be discussed with each respondent.

Section I - College

Generally, the questions related to the respondents' own evaluation of their college education, including what in retrospect seemed to have been strengths and weaknesses. Also included were such post-college educational experiences as management development and training courses. In addition, respondents were asked about the significance they would attach to formal educational preparation in the selection of their successor in the top management slot.

The data collected from the 30 interviews were analyzed both quantitatively and qualitatively. A factor analysis did not show any meaningful correlative indices among the variables that relate educational background and experience to senior executive achievement. This suggests that there is not necessarily a predictable cause and effect relationship.

The statistics presented included frequencies of responses to questions and cross-tabulations of responses for significant relationships.

Twenty-five of the 30 senior executives were either recruited from outside the organization or promoted from within. The remaining five were corporate presidents who either were the original company

founders or had strong family connections with major stockholders.

All the executives interviewed had at least one college degree. In their undergraduate educational preparation they were evenly divided between primarily technical/scientific and general/liberal arts. Over half of them had earned more than one higher education degree. There is no statistically significant correlation between the type of undergraduate education (that is, technical or liberal) which the interviewees had experienced and the path by which they achieved their top management positions (that is, through outside recruitment, by in-house promotion, as the organization's founder, or through family connections).

The interviews focused especially on the relationship of the respondents' educational experiences to their role in top management. Almost without exception, the respondents emphasized the part continual education had played in meeting their educational needs during various phases of their careers.

The aspect of their undergraduate education that the interviewees consistently felt to have been most important was its form rather than its content. What seemed to count was less the subject matter studied than the intellectual discipline and analytical training which the study entailed. Generally, the interviewees with a liberal arts background attached greater importance to the form of their undergraduate education, whereas the interviewees with a technical undergraduate background believed that their technical training had been most helpful.

The major and most frequently cited educational weakness was in the area of accounting and finance. Respondents discussed how they had had to make up these deficiencies on the job and through executive management programs.

Several of the interviewees are currently active in an advisory capacity to business schools. They point out how business education programs have changed over the past 20 to 30 years to include the accounting and financial area as well as other subjects that were previously underemphasized or not even available. Executives with engineering and other technical backgrounds discussed the need to provide more exposure to financial courses and human relations subjects at engineering schools.

Section II - Since College

The executives interviewed highly recommend, support, and, in almost all cases, have themselves participated in management training programs throughout their careers. Management development programs are closely related to personnel evaluation and identification of potential promotables. A recurrent theme during the interviews suggests that it is as much the employees' responsibility to seek continued self-development as it is a corporate obligation to provide management development opportunities. Several executives recommended the use of professional, individual career counseling for the benefit of employees as well as the company. As career paths progress to higher executive levels, the management and personal development emphasis gradually shifts from technical to general.

There is a significant relationship between the top executives who strongly support management development programs and those who are heavily committed to organization development. This was equally true of executives whose undergraduate educational backgrounds had been technical as those who had studied liberal arts subjects. It seemed in this regard as well as others that the interviewees' long years of cor-

porate experience considerably overshadowed their earlier undergraduate orientation.

It is interesting that approximately two-thirds of the respondents volunteered comments on the desirability of a well-rounded executive, even though no question was asked in that regard. It appears that some companies go to great lengths to encourage executives to broaden themselves culturally and in other respects. There is an important correlation between those who advocate that the executive should be a well-rounded person and those who have heavy commitments to organization development programs. As one senior executive put it, "We try to develop 'the tomorrows' 10 to 15 years down the road. We want our executives to be broad before they get there." This comment was, in its gist, typical.

The interviewees clearly indicated a strong concern about understanding and working with people. They emphasized that managerial success is based on the ability to motivate and work through the efforts of others.

About half the respondents, although not specifically questioned on the matter, offered comments about the importance of developing effective speaking, writing, and communications skills. Cross-tabulated data showed a meaningful relationship between attitudes regarding the importance of good communication skills and a strong commitment to management development training programs. The ability to communicate is regarded by several of the top executives interviewed as an essential aspect of managing.

About half the respondents mentioned their indebtedness to others who had helped them at different times in their lives. It was generally agreed that there were bound to be many people who at various times made

important and lasting impressions upon the careers of those who became top executives.

Sixteen of the thirty interviewees brought up the subject of self-discipline as related to strong motivations and achievement.

Twenty-five of the respondents volunteered comments on their commitment to a high standard of ethical behavior and social responsibility. There was a correlation of these responses with responses of these executives who discussed the importance of being a well-rounded executive.

During the interviews the respondents also volunteered views on society's changing values and the role of education. Some expressed dismay at the general lack of comprehension of the American economic system and especially the function of profit. Others discussed contemporary technological, economic, governmental, social, and education developments and the directions of American society generally.

Section III - Executives' Recommendations

There was no general agreement about any ideal program of educational preparation for successful executives. Regardless of their individual educational preferences, almost all the interviewees emphasized the importance of understanding and adjusting to the particular needs, ability, level of maturity and aspirations of the individual young person. Several respondents recommend that professional testing and counseling should be used for this purpose for the benefit of both individuals and companies.

As a group, the respondents favored an undergraduate liberal arts orientation for anyone considering a career as an executive. Re-

spondents from scientific or technically oriented companies tended to advise those interested in a specific technology to pursue that course and then to add an MBA degree and broaden their education later.

On the question whether or not there should be a break during the educational process, the respondents are evenly divided. Most of the executives who advocated a break believed that it should be taken between college and graduate school and primarily for the purpose of gaining useful work experience. The executives who preferred no break generally qualified their views in the case of young persons who appeared to need more maturity before going on to graduate school. Many of the respondents agreed on the desirability of including some actual work experience with the young person's formal educational programs.

The interviewees were also asked about the criteria they would use in the selection of their own successor. Discussion of this subject revealed a general and intense sense of responsibility on the part of the respondents to provide management development programs in order to find and prepare future leaders within their own organizations.

The respondents discussed their own educational strengths and weaknesses and offered suggestions as to what should be included in the educational preparation of young executive aspirants. However, educational background was clearly not held to be an important factor in the evaluation of candidates for top management. What appears to count most at that level is the person's over-all ability, their track record and future promise and the extent to which they are sensitive toward, and can work with and through other people.

CHAPTER 18

REFLECTIONS ON THE SIGNIFICANCE OF THE STUDY

Reality as a whole is always beyond our powers of analysis; its infinite complexity allows only of reflection. Reflection, on the other hand, is dependent on the insights it draws from analysis. Yet analysis can never address itself to more than aspects of reality--problems and subject matters abstracted from reality as a whole. For that reason, if the results of analysis are to be used to full advantage, they must be recombined with the larger reality to which they pertain. And in this recombining of the insights developed by analysis with the larger reality we hope to illuminate, we again have no alternative but to return to reflection. Yet our reflection will then be enriched by the new knowledge we have gained from our analysis--assuming, of course, that the subject we selected for study was significant and that the analysis itself was well conceived and properly carried out.

So it has been with the present study. We began with an examination of the views of senior business executives concerning the role of formal educational experiences in preparing people for successful careers in management. We found that in the opinions of the executives interviewed, formal educational experiences were only one among many factors that contributed to successful executive careers. And now, to derive the greatest possible meaning from our study, we must turn to the

larger reality from which we took our point of departure. We must reflect on what the study appears to show about the senior business executives whose views on education we solicited.

What kind of people are these, who have made it to the top of their professional ladder; in what regards are they truly the "uncommon wheels" that the title of the study (with a touch of inelegance, for which I apologize) claims them to be? To what extent do their values and attitudes follow traditional American patterns, and in what ways is their outlook distinctively contemporary? What are they concerned about in the larger society? How do they see their roles as business leaders? And finally, what kinds of challenges do they appear to pose for the country's educational institutions and educators?

Business Leaders as People

Judged on the basis of the sample of thirty individuals interviewed for the study, today's American business leaders are, indeed, an impressive group. As one would expect, they are intelligent, thoughtful, and well-informed. But contrary to popular stereotypes, they are neither narrow in outlook and interests nor bureaucratic in mentality and style. Their most prominent common characteristics are an intense urge to achieve, an exceptional capacity for hard work, and a striving for excellence in whatever task they undertake. While their dress and manner are generally conservative, most strike one as strong individuals, with a decided penchant to make up their own minds. And though the world in which they live and work is highly structured, one senses in them a strong element of spontaneity; many, in fact, appear to experience life as an adventure in which they are delighted and grateful to be en-

gaged. All have highly developed analytical abilities, but most show a good deal of imaginativeness as well. They are, for the most part, self-assured and confident but at the same time appear to have an acute sense of life's complexities and of their own limitations.

Another common characteristic of senior American business executives is their breadth of professional and general knowledge. Yet most seem sincerely to wish they knew a great deal more and to view their entire career as one continuing educational experience. They recognize the key importance of specific managerial skills but accord hardly less value to various kinds of humanistic studies. They see these as both personally enriching and professionally useful, particularly as managers assume high-level policy-making responsibilities. Yet as respectful as they are of all types of education and expertise, they place the greatest value on the capacity for judgment. For they recognize that it is in the capacity for judgment that intelligence, personality factors, experience, and education come together. They seem deeply aware that it is through the successful exercise of this capacity that they must justify the strategic leadership positions that have been entrusted to them and achieve their own professional fulfillment.

Business Leaders and Traditional and ContemporaryAmerican Values

In a great many ways, the values and outlook of the senior American business executive are today much the same as they have always been. He believes in the ethic of personal responsibility. He sees hard work as a good in itself and an essential condition of a productive and healthy society. He considers achievement as the surest road to personal satisfaction and recognition by one's fellows. And he is strongly committed to the ideal and practice of excellence. In the language of contemporary sociology, he subscribes to the principle of meritocracy. He believes in the equality of access to opportunity and feels strongly that rewards should be based on the value and quality of a person's performance. He is confident, moreover, that rewards earned in this fashion are bound to follow. And he is convinced that violations of this principle cannot but lead to a general slackening of effort, deterioration of the society's capabilities and damage to individual morale and motivation.

Yet if, in these ways, today's senior executive follows traditional American patterns, his outlook also includes a number of significant contemporary sensibilities. Perhaps most markedly of all, he appears to have a sincere and profound respect for people. He recognizes that this is essential if he is to work effectively with, and through his employees and colleagues. And he at the same time seems genuinely to care about them as individuals. He evidences this attitude in his acute concern about being an effective communicator. And he shows it, too, in his determination to provide opportunities for counseling, education and

deserved career advancement for his organization's work force. Though he continues to see the efficient operation and continued financial soundness of the corporation as his first responsibility, he clearly devotes much greater effort than did earlier generations of managers to the facilitation of the men and women through whom these economic objectives must be achieved.

A second, characteristically contemporary attitude is manifested in the senior executive's concern about his own and his company's relationships with the larger community. He is anything but the free-wheeling business buccaneer whom we read about in our nineteenth-century history. He appears to set high standards of morality and integrity for himself. And he is deeply preoccupied with living up to current expectations of corporate responsibility. He typically devotes much of his own time and skills to various volunteer and pro bono activities, including service on the boards of trustees of hospitals and educational institutions and on fund-raising committees connected with artistic and charitable enterprises. And he holds himself open to ways his corporation can participate in helping to come to grips with community problems.

Finally, as much of an achiever as he himself may be, he is more tolerant than were his counterparts in the past of others who are differently inclined. Albeit at times with a lingering sense of regret and misgiving, he recognizes that choices of life-style, educational experiences and roads to hoped-for happiness are individual matters and must be accepted as such.

Business Leaders and the Larger Society

While today's senior executives are accepting of individual and social diversities, they are as concerned as everyone else about the nation's by now familiar problems. Not surprisingly, they are most troubled of all by two related developments that they feel affect them very directly. One of these is the vast ignorance they perceive in all sections and age-groups of the population about the principles, workings and accomplishments of the American economic system, including the functioning of American business enterprise. They attribute this lack of understanding in considerable measure to what they feel has been a failure of our school systems to do an adequate job of informing the citizenry about some of the most basic realities of the American way of life. Many of them manifest a sense of frustration bordering on exasperation at what they see as an unfair and potentially tragic paradox: the most efficient, consumer-oriented economic system in the world which, at the same time, is widely unappreciated, taken for granted, and subjected to poorly-informed criticisms. While they show no signs of wishing to go so far as to co-opt American education or interfere in its curricula, they fervently wish that this gap in Americans' knowledge of their society could quickly be remedied.

Not only, however, do American business leaders appear disappointed at their fellow citizens' ignorance of the nature of American business and economics; they seem even more deeply troubled by what they feel is a still more fundamental problem. That is the growing conflict they see developing between the values of productivity, efficiency and cost effectiveness essential for a dynamic economy and the very different notions of self-enhancement, individual and group "needs"

and instant gratification that increasingly dominate American culture and politics. What they in effect have in mind are the concerns advanced by the sociologist, Daniel Bell, in his recent book, The Cultural Contradictions of Capitalism.¹³⁰ Though their views are not as fully articulated as Bell's, they share essentially the same forebodings. By virtue of their own positions in the business world, they understandably feel very directly involved. And like Bell, they are convinced that it is a matter in which the entire nation has a vital stake.

How Business Leaders See Their Own Role

Taken as a group, American business leaders differentiate themselves surprisingly little from the rest of their society. They show little group consciousness on the basis of either social class or snared professional status. They do have close and frequent professional contacts. They play golf and tennis together. And they collaborate in many of their voluntary service activities. Their social sets often overlap. And they belong to the same clubs. But even there, there appears to occur little sustained discussion or planning as regards the identity, interests, and role of senior business executives as a group. Though each individual necessarily wields a great deal of influence in his own organization, it seems impossible to speak meaningfully of a self-conscious American business leadership "establishment" as such.

¹³⁰Daniel Bell, The Cultural Contradictions of Capitalism, New York: Basic Books, 1976.

In effect, that is to say, senior business executives feel themselves to be more or less ordinary Americans whose job happens to be to manage business organizations. They claim little more for themselves than to be valued and paid for the work they are doing. They have great faith in America and wish to contribute to its continued, creative unfolding. But they are disturbed by the increasing number of regulations and constraints being imposed on the direction and operations of their enterprises. And they fear that these interventions, together with the diffusion of anti-business attitudes, can go only so far before their adverse effect is felt on the nation's economic performance and capabilities. Yet except defensively, and even then with self-restraint and an obvious desire to be socially responsible citizens, they show little inclination to participate aggressively in society-wide controversies. Neither their personal nor professional self-concepts appear to include aspirations for individual or group leadership roles in the active direction of the larger society.

Challenges to Education

What are the major challenges that appear to be posed by the views and situation of senior American business executives for American education? There would appear to be at least three. For one thing, as our business leaders suggest, our school curriculum planners, teachers, and administrators would be well advised to place greater emphasis on seeing that our youngsters graduate with a better understanding of the American economic system. This can be done without propagandizing our school populations or preventing or stifling criticism of the economy. It will demand the return to greater educational substance that is

increasingly being called for in regard to many other subject matters as well. And it will, of course, require teachers who themselves are adequately informed. They must be prepared, moreover, to differentiate clearly between factual descriptions of our economic realities and their own evaluations of these realities in terms of ideology and personal preference. Both the content of such revitalized economics teaching and the effectiveness of its presentation could be much enhanced by closer collaboration between teachers of economics and business and actual practitioners in those fields. This could be achieved by more extensive utilization of teacher-practitioners drawn from the business world itself. And it could be further facilitated by providing opportunities for teachers of economics to work for periods of time in business organizations. It would also be helpful if representatives from business were more frequently brought into classrooms as guest lecturers and as resource persons. And it would serve the same purpose if students could more often visit with people in business. In all these regards, the business community appears prepared to come more than half way. The question is whether our educators are willing to do the same.

Greater flexibility and responsiveness to the needs of students and employing organizations should, in fact, be aimed for at all levels of American education. As the findings of the present study show, education is likely to be most effective when related to the individual student's interests and level of maturity and combined with appropriate exposure to the world of work. This is most clearly the case with men and women who are already active in the work force and who wish to continue their education for purposes of professional and personal develop-

ment. Here, especially, educators need to make every possible effort to offer high-standard programs in a wide variety of pertinent subject areas, scheduled at times, in locations, and in curricular combinations that most effectively serve their student constituencies. Whether or not the present structure of higher education will everywhere permit such programming remains uncertain. What would be helpful would be greater use of curricular advisory committees drawn from the professions which the particular academic programs are intended to serve. Additional impetus would result from the inclusion of greater numbers of business people on university and college boards of trustees and from closer accountability by educators to the members of such boards.

A third major challenge for educators and people in the world of business to work together is posed by the relationship of American business leaders to the larger society. It concerns the question of whether our business leaders' conception of their role is today still sufficient in the light of the many changes that American society has been undergoing. Is it enough for America's senior business executives to confine their leadership to the world of business alone, responding to developments in the rest of society merely with the posture and strategy of corporate social responsibility? Or has the social, psychological and political context in which business today operates become problematical to the point where business can no longer passively or defensively sit by? And to the extent this may be the case, can business afford not to be actively involved in the reshaping of our society and culture that is inexorably occurring and in which the values and interests of business have an essential part to play? And if business cannot and should not avoid such more active participation,

who is to assist our business leaders in the undertaking, including the enlargement of their traditional role that would necessarily be entailed?

Here, clearly, is an unprecedented opportunity for America's educators. The task would be nothing less than to bring together senior business executives with other knowledgeable people for a sustained rethinking of the realities and directions of our entire society. In taking initiative for establishment of such a dialogue, educators too would be transcending their specialized, traditional preoccupations. Both business and education would thus be gaining inspiring and meaningful new dimensions. And all of us, as Americans, would be the ultimate beneficiaries.

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